

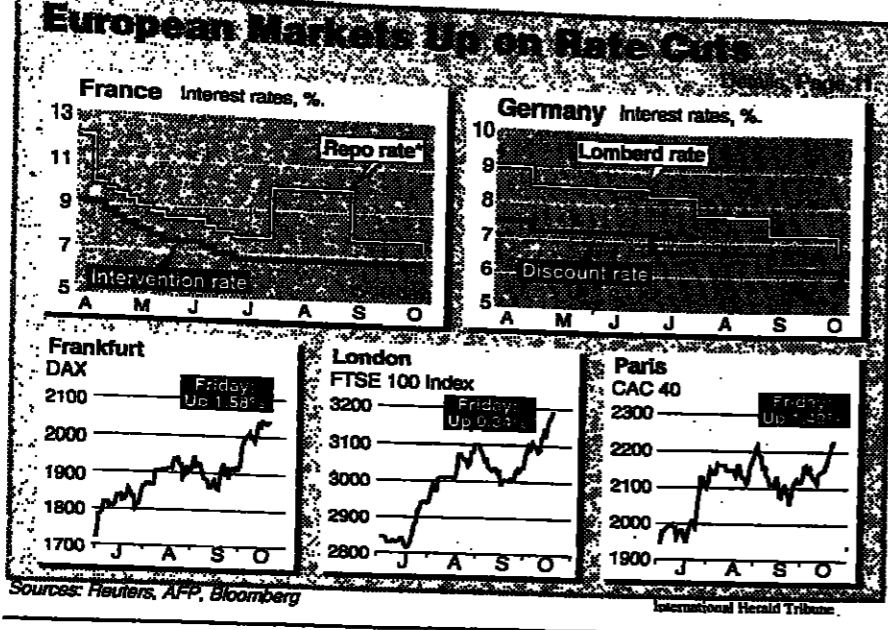
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ESTABLISHED 1887



## Dozens Killed in Kashmir Protests

By John Ward Anderson  
 Washington Post Service

SRINAGAR, India — Indian security forces opened fire on protesters on Friday, killing dozens of people across the Kashmir Valley in worsening violence surrounding a standoff between troops and Muslim militants at a mosque here.

Protesters marched in defiance of a military curfew in the capital city, Srinagar, as well as in several outlying towns, prompting Indian military and security forces to fire into the crowds, attack demonstrators with bamboo poles and blanket many neighborhoods with tear gas.

It was the strongest show of force yet by Indian military forces in the weeklong siege of the Hazratbal Mosque, where government troops have surrounded a shrine long used as a rallying point by militants involved in the civil war over the disputed state of Kashmir.

The showdown at the mosque on Dal Lake has refocused international attention on the civil war between militants fighting for independence in the primarily Muslim state of Kashmir and the Indian government forces trying to suppress them.

The struggle, in which thousands of civilians have been killed in the last three and a half years, has global ramifications because it is considered a potential trigger for nuclear war between India and Pakistan, an Islamic nation accused of providing money and arms to the Kashmiri militants. The two countries went to war over their joint Kashmiri border in 1971.

Pakistani officials have protested the Indian troops' siege at the mosque, scoffing at India's assertions that it sent troops to the mosque because it feared the militants would damage the holy shrine.

The newly elected Pakistani prime minister, Benazir Bhutto, raised the issue at the meeting of Commonwealth heads of government in Cyprus, prompting vocal protests from Indian officials who accused her of violating the meet-

## Clinton Sets Summit With Yeltsin to Show Support

President Will Travel To Moscow in January After NATO Meeting

Computed by Our Staff From Dispatches

MOSCOW — President Bill Clinton will hold a summit meeting with Boris N. Yeltsin in mid-January as a show of support for the Russian leader's struggle to convert the former communist state into a democracy with a free market economy.

"I am pleased to announce that Presidents Yeltsin and Clinton will hold their next summit in Moscow in the days following the NATO summit in Brussels," Secretary of State Warren M. Christopher said in Moscow.

He declined to give an exact date, but the NATO meeting is on Jan. 10 and 11.

The White House press secretary, Dee Dee Myers, said Mr. Clinton would take in several countries in addition to Russia, including the North Atlantic Treaty Organization meeting. In all, the trip will last a week or eight days, she said.

The decision to send Mr. Christopher to Moscow in October, Vice President Al Gore from Dec. 15 to 17, and then have the president meet with Mr. Yeltsin in January underscores American support for Mr. Yeltsin's government and democratic reforms, Ms. Myers said.

"It shows our ongoing commitment to progress," she said.

Mr. Clinton met with Mr. Yeltsin in Canada in April and promised \$1.6 billion in U.S. aid. The two leaders met again in Tokyo in July at the summit meeting of the leaders of the Group of Seven industrialized democracies.

Mr. Yeltsin met Mr. Christopher on Friday at the Russian leader's country house in Zavidovo outside Moscow. Mr. Yeltsin said afterward that he supported a U.S. plan to expand cooperation between NATO and some members of the former Warsaw Pact.

The proposal, which will be on the agenda at a meeting of NATO foreign ministers next month, calls for former East Bloc nations to take part first in military exercises, starting next year, and eventually to assist in peacekeeping, crisis management and search-and-rescue missions.

Mr. Yeltsin also praised Mr. Clinton for supporting Russia, "consistently, immediately and steadfastly."

Mr. Christopher described the meeting with Mr. Yeltsin as "fascinating" but denied that his visit was an endorsement of Mr. Yeltsin's candidates for parliamentary elections on Dec. 12.

"I don't think my meeting with Yeltsin should be taken as anything but an endorsement of democracy and free-market reform in Russia," he said.

The Russian foreign minister, Andrei V. Kozyrev, who met with Mr. Christopher earlier Friday, said that the two men discussed a Russian plan to set up an international fund for peacekeeping operations in the former Soviet Union.

However, Mr. Christopher said such a fund should be handled by the United Nations.

They also discussed Mr. Yeltsin's suspension of 15 newspapers following a rebellion by hard-liners in the Russian parliament. Mr. Christopher said he was reassured by Mr. Kozyrev's comments.

"I urged him strongly to take into account the need to have maximum press opportunities" to ensure free and fair elections, Mr. Christopher said.

Christopher also met Prime Minister Viktor S. Chernomyrdin and discussed trade, aid issues and the elections.

He said that Mr. Chernomyrdin asked him about "antique" U.S. trade legislation that designates Russia as a Communist country." Mr. Christopher said he hoped Congress would eliminate this language and lift trade restrictions against Russia by the end of the year.

Mr. Chernomyrdin said he had not asked for accelerated U.S. aid for Russia. "We confirmed that we would not like to be beggars but partners," he said.

Mr. Christopher is visiting Russia, Kazakhstan, Ukraine and Belarus, hoping to press the

See KASHMIR, Page 4

## SEAT Woes: Automaker Will Cut Jobs In Spain 40%

Compiled by Our Staff From Dispatches

BARCELONA — In a major blow to Spain's stumbling economy, SEAT said Friday that it planned to dismiss 9,000 employees, nearly 40 percent of the Spanish automaker's work force.

Labor leaders asserted that the plan would actually mean the elimination of an additional 30,000 to 40,000 jobs in Spain.

The acting chairman of SEAT, Peter Walzer, said at a news conference that the company would stop making cars at its 40-year-old Zona Franca factory in Barcelona, which employs 13,600. He said Volkswagen AG of Germany, which owns SEAT, wanted to convert the plant to a technology park for makers of auto parts.

The largest Spanish trade union, the General Workers' Union, rejected the plan and threatened large protest demonstrations against it.

SEAT, or Sociedad Española de Automóviles de Turismo SA, expects to have a loss this year of 100 billion pesetas (\$753.7 million), more than seven times its deficit in 1992 of 13 billion pesetas.

Volkswagen is Europe's largest and the world's fourth-largest car manufacturing group. SEAT, Spain's only national carmaker, is also the largest manufacturing employer in a country where the unemployment rate was 21.2 percent in August, by far the highest in the European Community.

Mr. Walzer, seeking to minimize the impact of the announcement, said SEAT would move production of its Toledo model of cars to its new plant at Martorell in Catalonia in 1994. The company's third plant, near Pamplona, would apparently not be affected by the changes.

"Our objective is to assure the definitive future of SEAT and of the 15,000 jobs which remain," he said.

Mr. Walzer said SEAT did not intend to dismiss the 9,000 workers immediately. He said that some would qualify for early retirement and that others would be laid off over a period of two years.

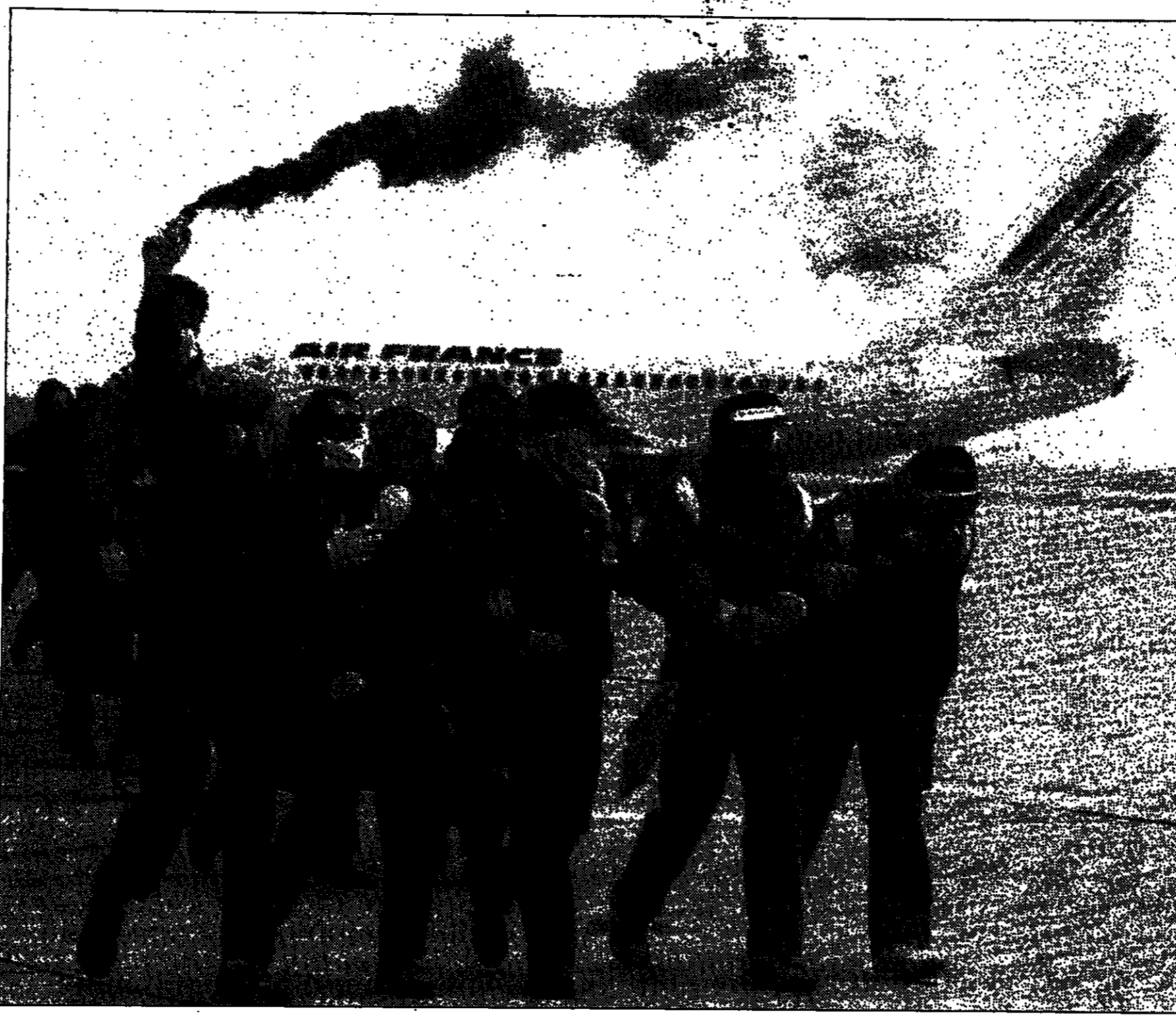
Disputing the contention of organized labor, he denied that the job cuts would mean job losses among the company's suppliers — "quite the opposite, in fact," he said. He said 1,800 jobs could be created if the company bought more parts in Spain rather than importing them from Volkswagen suppliers in Germany.

But he acknowledged that there were no indications that car sales would pick up substantially in the near future. He said production at the Zona Franca plant was running at 90,000 cars a year, or 24 percent of capacity.

"No company can operate at 24 percent of capacity," Mr. Walzer said. He said the Martorell plant was producing 250,000 cars a year, about 75 percent of capacity.

Sales of cars made in Spain cars fell nearly 17 percent in the year ended Sept. 30, a slightly worse performance than the average for all Western European producers, according to manufacturers' figures.

(Reuters, Bloomberg, AP)



Striking Air France workers, one brandishing a flare, linked arms as they walked across the runway at Orly Airport south of Paris on Friday after a confrontation with riot policemen.

## Air France Strikers Disrupt Paris Airports for 4th Day

By Jacques Neher  
 International Herald Tribune

PARIS — Striking Air France employees again clashed with the police at Orly International Airport on Friday, disrupting flights for the fourth consecutive day in a labor action whose effects rippled around the world.

International airlines and the tourism industry were losing millions of dollars, and business at hundreds of companies was disrupted as freight remained blocked at airport warehouses.

And as no resolution was in sight, people hoping to leave Paris at the beginning of mid-term school vacation were scrambling to find other transportation.

Foreign airlines, already suffering in a depressed industry, expressed frustration with the government for having failed to take action quickly to keep the airports operating fully. On Friday, an association representing 95 airlines serving Paris voted to explore suing the government-run Paris airport authority.

"Clearly, we're looking to assign responsibility if we can," said Glenn Zander, deputy chairman of TWA. "This has not been an inexpensive problem."

He said that TWA, now coming out of bankruptcy reorganization, had on Tuesday alone faced expenses of more than \$100,000 to feed, transport and house passengers in Paris and New York.

"If you consider just the American airlines that were affected," Mr. Zander said, "the additional costs could easily mount past \$1 million a day, and that doesn't count lost revenues due to cancellations."

France was the principal target of the job action. Although most U.S. airlines have canceled only a few flights, some European airlines have taken it on the chin. Alitalia, for example, had to ground 24 of its 38 flights in and out of Charles de Gaulle on Tuesday, while Lufthansa canceled 28 flights on Tuesday and Wednesday.

The government, fearing that the conflict

See STRIKE, Page 4

## Twisted Cucumbers, Donkey Diapers and Euromyths

By Erik Ipsen  
 New York Times Service

LONDON — Foreign Secretary Douglas Hurd, a Europhile among Brussels-bashers, has news for his countrymen. Their cuisine, their coins and their coffins are safe from conformist-crazed Eurocrats.

"The impression remains of a Community seeking to burrow ever deeper into the nooks and crannies of national life," writes Mr. Hurd in the introduction to a new Foreign Office brochure titled "The European Community: Facts and Fairytales." In the main, he insists, that impression is simply wrong.

To set the record straight, a team of civil servants have spent the last year combing the pages of Britain's tabloid press, papers never known for their benevolent or accurate depictions of Brussels. The result is a compendium of 40 of the most prevalent stories about EC excesses. Each is either refuted or explained.

The stories are divided into three categories: "Euromyths," which are defined as falsehoods; "Eurocares," or misunderstandings of EC intentions; and "Eurolimacancies," which are examples of the Community's mistakes.

Under the heading of Euromyths, for example, the Foreign Office puts the story that the image of the EC president, Jacques Delors, will soon replace that of Queen Elizabeth II on British notes and coins.

Also, lovers of curvaceous cucumbers will be relieved to learn that EC quality standards do not bar the sale of such vegetables.

For fishermen and fishing boat owners, the booklet contains good news. Contrary to Euro-

## U.K. and Ireland To Fall Back to Standard Time

International Herald Tribune

Britain and Ireland will revert to Greenwich Mean Time early Sunday, when clocks will be turned back one hour, from 2 A.M. to 1 A.M.

The change in Britain and Ireland follows by few weeks the move back to winter time by other European countries.

The United States and Canada will make the change on Oct. 31.

## Is Violence Hereditary? A New Finding

By Natalie Angier  
 New York Times Service

WASHINGTON — Scientists have found a tiny genetic defect that appears to predispose some men toward aggression, impulsiveness and violence, a discovery that is likely to rekindle the harsh debate over the causes of criminal and abnormal behavior.

Researchers emphasized, however, that the finding was limited to a single large family and that the inherited illness was likely to be quite rare in the general population.

Nevertheless, scientists said the discovery was a persuasive advance for human behavioral genetics, a field that has lately been in disarray as previous announcements of genes for manic-depression, schizophrenia and alcoholism have either been disproved or come under withering criticism.

In the new work, researchers from the Netherlands and the United States studied a large Dutch family with a history of erratic and often hostile behavior among some, but not all, males in the group. Those afflicted often react to the most mildly stressful occasions with aggressive outbursts, shouting at, cursing or assaulting the person they deem a threat.

At other times, the men have committed arson, attempted rape and exposed themselves in public. In addition, their intelligence is on the low end of normal, with an average IQ of around 85 to 90.

The researchers have linked the abnormal behaviors to mutations in the gene responsible for the body's production of monoamine oxidase-a, an enzyme critical for breaking down chemicals that allow brain cells to communicate.

The scientists do not yet know the exact mechanism of the disorder, but they propose that lacking the metabolic enzyme, the brains of afflicted men end up with excess deposits of potent signaling molecules like serotonin, dopamine and noradrenaline. Those surplus neurotransmitters in turn stimulate erratic, often hostile conduct.

"A human behavior like aggression is very complex," said Dr. Han G. Brunner, a geneticist at University Hospital in Nijmegen, the Netherlands. "But our study shows that in certain instances a biological factor clearly influences the behavior." Dr. Brunner is the lead author of the report, which appeared Friday in the journal Science.

Comparing the monoamine oxidase-a genes in five afflicted and 12 nonafflicted males of the

See GENE, Page 4

**STARTING MONDAY:**  
 2 New Features on Personalities and Businesses

**SMALL BUSINESS**

**Up and Coming**  
 An occasional series about the names in tomorrow's headlines.

Two new features debut in Monday's Trib. The first will introduce up-and-coming personalities — the people whose names will make tomorrow's headlines in a variety of fields and all parts of the world. The second

— profiles of small companies with innovative products, inventive management or clever ideas — will tell the story of entrepreneurship in action. These occasional features will appear in Monday's news and finance pages.

**Kiosk**

**2 Get Life for Florida Tourist Attack**

<b>Dow Jones</b>	<b>Trib Index</b>
Up 13.14 3,649.30 @ 4 P.M.	Up 0.37% 110.66 @ 4 P.M.

**The Dollar**

DM	1.676	1.6672
Pound	1.4735	1.4845
Yen	108.10	108.325
FF	5.8539	5.84

**Book Review**  
 Crossword Page 8  
 Page 21



STATESIDE / BLACK AND WHITE

Aftershocks Over the L.A. Verdict Follow Racial Lines

By Peter Applebome

ATLANTA — The verdict in the Reginald Denny case is reverberating beyond Los Angeles and across the United States. On talk shows and in interviews in several cities, many whites saw a judicial breakthrough that some linked to an outdated and hypocritical national discourse on race that they said, has turned criminal issues into civil rights ones.

and were as indefensible as the acquittal of the police officers who beat a black motorist, Rodney G. King, two and a half years ago in that city. Other blacks saw a measure of justice in the verdicts and the completion of a cycle that began with the outrage and rioting over the acquittal of the officers and included the eventual conviction of some of them on federal civil-rights charges.

black woman who sells jewelry from a cart she owns in central Boston. "One person gets beaten and then another person. We've lowered ourselves to something that is not human."

Even those blacks who were less comfortable with the verdict often saw the case in a starkly different light than the whites who commented. Many whites questioned the comparison with the King beating, saying there was a critical difference between the overreaction of police officers subduing a potentially dangerous criminal suspect and the actions of a mob attacking and then celebrating the beatings of innocent motorists.

"I'm not saying either case was right, but the police are trained to do a job," said Kevin Dickinson, an accountant from Washington. "That's very different from being caught up in the emotions following the Rodney King verdict."



A HARBINGER OF HALLOWEEN — A patient at Children's Memorial Hospital in Chicago, Bridgette Evans, 4, adjusting the top of the jack-o'-lantern that she made for a visit by the First Lady, Hillary Rodham Clinton.

POLITICAL NOTES

Heavy Reading, and Lots of It, on Health Care

WASHINGTON — Anyone who hungers for details of President Bill Clinton's health care plan might start looking now for a soothing reading light and a comfortable chair. Next Wednesday, a deadline that could still change by a day or two, the White House is scheduled to present its bill formally to Congress.

Half-Hour Perot Ad to Slam Trade Accord

WASHINGTON — United We Stand America, the political organization of Ross Perot, has announced production of a half-hour television commercial criticizing the North American Free Trade Agreement, which is to be broadcast Sunday.

Attorney General Beefs Up FBI Chief's Role

WASHINGTON — Attorney General Janet Reno has given the FBI director, Louis J. Freeh, new powers, naming him director for investigative agency policies, with authority to oversee all Justice Department investigations and end overlapping law enforcement fronts.

Way From Politics

A suspected boss in the Colombo crime family was shot and killed hooded gunmen in front of his house in Queens Borough of New York City as he was returning from a dinner with his nephew and two son-in-laws.

NOTE TO READERS

For technical reasons beyond our control, the International Herald Tribune was not able to publish the advertising section on "Personal & Laptop Computers" on October 21 as initially announced.

Marines Dismiss a Major Tailhook Case

By Neil A. Lewis

WASHINGTON — The Marine Corps has dropped all charges against a Marine captain who had been charged with sexually molesting the admiral's aide and navy aviator who first spoke out about debauchery at the 1991 Tailhook convention.

In essence, the Marine Corps decided Thursday that Lieutenant Paula Coughlin might have identified the wrong man, and it dismissed the most celebrated case that arose out of the affair.

Congress Kills Off Collider

WASHINGTON — Senate negotiators have bowed to the demands of a determined House and agreed to a plan for the termination of the trouble-plagued supercollider project that became a symbol of extravagance in an era of budgetary retrenchment.

UN Peacekeeping Funds Cut

By Paul Lewis

WASHINGTON — The United States will be almost \$1 billion in arrears on UN peacekeeping operations in the coming year after passage by Congress of a bill appropriating a budget contribution to the United Nations.

Britain and Argentina Settle Dispute on Squid

The Associated Press BUENOS AIRES — Argentina and Britain have settled a dispute on South Atlantic squid fishing, the economic basis of the British-governed Falkland Islands.

hook, had decided there was not enough evidence to proceed with a court-martial against Captain Gregory Bonam, 29, whom Lieutenant Coughlin had named as her most brazen assailant.

Lieutenant Coughlin had said Captain Bonam and others assaulted her in a hotel hallway. But at a hearing last August, Captain Bonam denied that he had been in the hallway or that he had ever seen Lieutenant Coughlin.

Lieutenant Coughlin had said she was able to identify Captain Bonam as the man who first bumped her and then reached over her shoulders and thrust his hands down her blouse because the man was a light-skinned black or Hispanic man with strikingly light-colored eyes, a description that fit Captain Bonam.

Compromise Bill Would Put U.S. \$1 Billion in Arrears

Responding to frequent complaints about waste and corruption, Congress agreed to do without 10 percent of its regular budget contribution of \$291 million, or about \$29.1 million, until the secretary-general appoints an inspector-general to look into such complaints.

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Ambassador Lapel Flags. Great World Cities Collection. Fast Delivery - 100% USA-made. Any flag mix - 4x6, 6x9 or 8x10. Factory wholesale to specialist. Your Order, Also, Free. THE CO., INC. 101 Bell Air Drive, New Milford, CT 06776, U.S.A.

AMERICAN TOPICS

Anti-Semitic Stand Faces Repudiation

The Evangelical Lutheran Church in America is drawing up a declaration repudiating anti-Semitic writings by Martin Luther, the founder of Lutheranism. With 5.2 million members, the denomination is the largest Lutheran group in the United States.

Heavy Reading, and Lots of It, on Health Care

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driven established local merchants out of business. A Stop Wal-Mart Committee in Westford, a town of 17,000 people, persuaded the company last month to drop its plans to build a new store there.

Starting Jan. 1, federal law will require virtually all new child-support awards to be withheld from the paychecks of absent parents.

Of the 480 feature films made in the United States last year, 67 percent were shot in California, in whole or in part.

Brigitte Bardot, the French film star and animal-rights activist, has joined a worldwide effort to save New Jersey's "Death Row Dog." She has asked Governor James Florio to grant executive clemency.

Short Takes

Two Massachusetts towns have rebuffed Wal-Mart's efforts to open stores in their areas.

TO CALL ONE FOREIGN COUNTRY FROM ANOTHER.



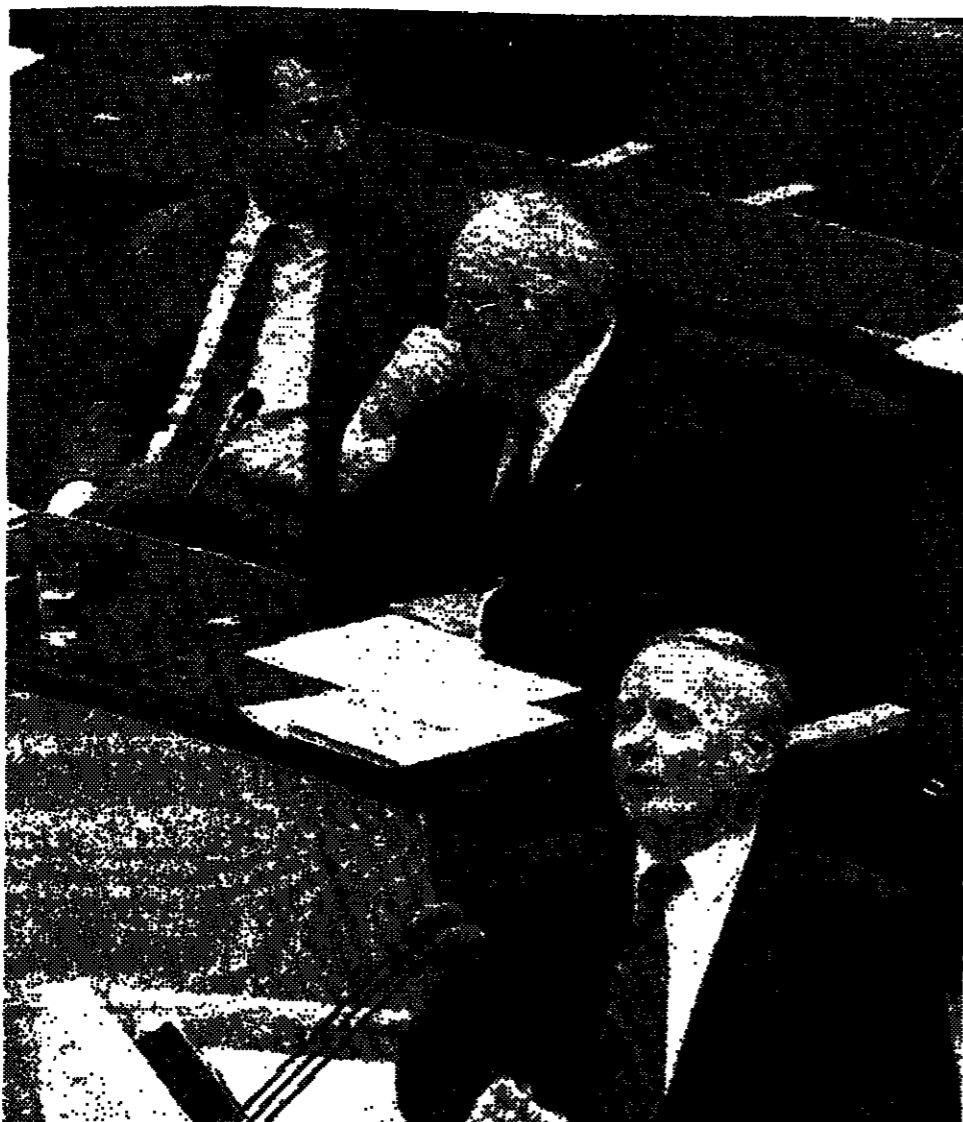
SPRINT GIVES YOU A HANDFUL OF OPTIONS. Sprint Express makes it easy to call a foreign country when you're already in one. Simply dial any of the access numbers listed here, and a Sprint operator will complete your call to almost anywhere in the world.

- Argentina 001-900-777-1111
Australia 022-803-094
Austria 1-888-309-211
Belgium 078-11-0884
Brazil 556
Canada 1-800-823-0877
Chile 0896-3333
Cuba 005-5076
Denmark 1-800-877-8088
Ecuador 06-0587
France 001-21-0090
Germany 090-53-0870
Greece 001-500-011
Hong Kong 0085-9877
Indonesia 1-800-757-7877
Italy 171
Japan 001-3-10824
Korea 19-0087
Kuwait 0260-0023
Luxembourg 800-008-411
Malaysia 195
Mexico 1-800-121-2000
Netherlands 800-3877
New Zealand 1-800-855-8777
Norway 000-12
Philippines 888-777
Poland 155-8777
Portugal 0086-0716
Puerto Rico 95-800-877-8000
Russia 18-0987
Singapore 06-022-8189
South Africa 001-800-745-1111
Spain 021-18
Sweden 800-3877
Switzerland 01-81
Taiwan 220
Thailand 888-855-8777
United Arab Emirates 800-331
United Kingdom 0200-66-8877
U.S.A. 1-800-877-8000
U.S. Virgin Islands 1-800-877-8000
Uruguay 000417
Venezuela 076-1877
West Germany 800-711-0
Worldwide Spanish 800-711-1



In Somalia, Rangers Leave Ennui To Others

By Douglas Jehl
New York Times Service
MOGADISHU, Somalia — No one has bothered to take down his photograph, so General Mohamed Farrah Aidid still gazes from the walls of some American command posts.



Chancellor Helmut Kohl of Germany, center, and Foreign Minister Klaus Kinkel, left, listening to Oskar Lafontaine, prime minister of the state of Saarland, during a debate in Bonn on the economy.

GERMANY: Kohl Lashes Out at His Countrymen

Continued from Page 1
1987 and 1992, while in Japan they increased from 17,408 to 23,082, he said.

Microelectronic patent doubts in the United States recently in the same period, he said. Developments in mainframe computers, office equipment and laser technology show similar trends, he added.

Mr. Kohl said he hoped the government's new proposals for the labor market would be passed soon by parliament. The proposed legislation should enable employers to introduce more flexible working times, he said.

Lieutenant Colonel Bob Clark, the commander of an armored battalion, said that a team was looking for an unpopulated site south of Mogadishu to stage maneuvers.

TO OUR READERS IN BERLIN
You can now receive the IHT hand delivered to your home or office every morning on the day of publication.

COMPETE: U.S. Remains the Leader in Productivity President Is Killed In Burundi Overthrow

Continued from Page 1
to do with how goods are produced than with the skill of workers or the quality of technology.

But Germany and Japan lag so far behind in some industries — packaged food in Japan, beer and cars in Germany — that measured in dollars of comparable purchasing power, the average Japanese or German factory worker produces just \$8 worth of goods in the time it takes an American worker to churn out \$10.

RATES: German Cuts

Continued from Page 1
percent, down from 6.67 percent in its previous issue Wednesday. The Bundesbank last cut its main interest rates Sept. 9, when the discount and Lombard rates similarly were trimmed by a half a point each.

In Japan, for example, a worker in the highly protected and fragmented food processing industry — which employs more workers than the car, computer, electronics and machine tool industries combined — produces \$39 worth of food every hour, compared with \$119 in the United States.

He said that the Deutsche mark had risen an average of 3.6 percent against other major currencies since the end of July, when an exchange-rate crisis led to major changes in the mechanisms governing European currencies.

Communications to Burundi were cut, and it could not be determined whether there had been casualties when the army stormed the national palace in Bujumbura before dawn.

SECRET: Singapore Pushes Case

Continued from Page 1
limits of the cabinet under Mr. Goh, who recently succeeded him.

DEATH NOTICE

Lawrence-Damien LACINA set out on his final journey on Monday, 18 October, at 13:55, to join the angels and his Saint.

REAL ESTATE MARKETPLACE

REAL ESTATE INVESTMENTS
3 km Geneva - 15 min left airport
ANNUNCIAS with a central location in Geneva offers excellent REAL ESTATE OPPORTUNITIES.

CARIBBEAN
ST. MAARTEN 2 1/2 floors luxury villa for sale. Breathtaking views of Caribbean Bays, approx 300K and 1/2 acre. Great investment or holiday home.

ITALY
YOU'VE EARNED IT! ENJOY IT!
MOST BEAUTIFUL HOUSE IN VENICE
Direct sale. Asking price US\$ 1.35 million. No seller tax. Seller company. Just across Grand Canal of Venice.

ANTIBES - JEAN LES PINS
Owner sells LUXURY HOME in residential prime area. Spacious living space 320 sqm. + outbuildings. 2,100 sqm. large wood park. Swimming pool. 2 tennis courts. 700 sqm. garden. 2 swimming pools. 100 sqm. pool. 100 sqm. pool. 100 sqm. pool.

MONTE CARLO
EXCEPTIONAL APARTMENT in Cannes. 4 bedrooms, 3 bathrooms, swimming pool, tennis court, parking, security, concierge, 24 hours. Price: 12,500,000 FF.

PARIS
"Better than a Hotel"
First President
OFFER YOU!
QUALITY APARTMENTS
View of the Seine & Eiffel Tower
2 bedrooms, 2 bathrooms, swimming pool, tennis court, parking, security, concierge, 24 hours. Price: 12,500,000 FF.

SWITZERLAND
GENEVA
EXCEPTIONAL PINEAPPLE VILLA
Spacious, bright, sunny, 5 bedrooms, 3 bathrooms, swimming pool, tennis court, parking, security, concierge, 24 hours. Price: 12,500,000 FF.

USA
PRIME NYC PROPERTIES
Park Avenue/72nd Street
Park Avenue/72nd Street
Park Avenue/72nd Street
Park Avenue/72nd Street

REAL ESTATE SERVICES
REAL ESTATE SERVICES
REAL ESTATE SERVICES
REAL ESTATE SERVICES

REAL ESTATE FOR SALE
INTERNATIONAL
Luxury Castle, Bangkok, Thailand, 250 km. For sale in U.S. or U.K. Call NY, NY. Tel: (212) 512-1011. Fax: (212) 512-2464.

GERMANY
REPRESENTATIVE VILLA with charm. Top location near Brunnen Park Hotel, 100 m from the sea. 2 bedrooms, 2 bathrooms, swimming pool, tennis court, parking, security, concierge, 24 hours. Price: 12,500,000 FF.

MONTE CARLO
EXCEPTIONAL APARTMENT in Cannes. 4 bedrooms, 3 bathrooms, swimming pool, tennis court, parking, security, concierge, 24 hours. Price: 12,500,000 FF.

PARIS
"Better than a Hotel"
First President
OFFER YOU!
QUALITY APARTMENTS
View of the Seine & Eiffel Tower
2 bedrooms, 2 bathrooms, swimming pool, tennis court, parking, security, concierge, 24 hours. Price: 12,500,000 FF.

SWITZERLAND
GENEVA
EXCEPTIONAL PINEAPPLE VILLA
Spacious, bright, sunny, 5 bedrooms, 3 bathrooms, swimming pool, tennis court, parking, security, concierge, 24 hours. Price: 12,500,000 FF.

USA
PRIME NYC PROPERTIES
Park Avenue/72nd Street
Park Avenue/72nd Street
Park Avenue/72nd Street
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# U.S. Warns Army In Haiti Not to Seize Gasoline Supplies

Compiled by Our Staff From Despatches

**PORT-AU-PRINCE, Haiti** — The last major gasoline retailer operating in Haiti ordered its pumps shut off Friday to comply with a United Nations oil embargo, and the United States warned the army against seizing fuel supplies.

Asked about the possibility that the military could take over gasoline depots owned by foreign companies, the U.S. Embassy spokesman in Port-au-Prince, Stanley Schragar said, "I think we'd view that extremely seriously."

The embargo was imposed by the United Nations to force the military to let Haiti's deposed president, the Reverend Jean-Bertrand Aristide, return to power. U.S. and Canadian warships began enforcing the embargo Tuesday.

Prime Minister Robert Malval, head of the interim government named by Father Aristide under a UN-mediated accord to restore democracy, said he told Haiti's armed forces not to interfere with the fuel distributors.

However, Mr. Malval's government has no control over the military and the police, which support rightist civilian groups that have used violence and threats to disrupt the UN attempt to bring back Father Aristide from Washington, where he is in exile, by Oct. 30.

The immediate effect of the embargo has been inconvenience, and in some cases Friday service stations were kept open on the orders of military patrols.

But the fuel shortage could grind down the economy, make life difficult for impoverished Haitians and hamper army and police operations.

The Miami-based relief organization Food for the Poor said that its first shipment of food and medicine for Haitian hospitals had been blocked by ships enforcing the oil and arms embargo.

The group said a ship carrying food, medical and baby supplies — left Miami on Tuesday but was turned back because its cargo could not be adequately inspected.

In Washington, the government froze the U.S. assets of Haiti's army commander, Lieutenant General Raoul Cédras; the army's No. 3 officer, General Philippe Biamby; and 39 other soldiers and rightist leaders. All either took part in the September 1991 coup that toppled Father Aristide or worked to block his return, U.S. officials said.

Texaco, the last major foreign-owned oil retailer operating in Haiti, told Mr. Malval's government it would shut off its pumps Friday. Shell and Esso shut down a day earlier, Shell said it was respecting the embargo. Esso cited threats to the company and its employees.

Long lines of cars and other vehicles waited at Texaco stations in the hope pumps would open.

Soldiers carrying guns ordered a Texaco station that had shut down on Thursday to stay open. Some Texaco stations were open Friday near the airport. Soldiers stood guard, directing motorists to move to the pumps.

Mr. Malval, speaking on U.S. television from Port-au-Prince, said talks with the army on breaking the political stalemate could show some results within two or three days.

"I know that the sanctions carry a heavy burden for all of us here," he said. "But the message behind the sanctions is that we will not back away. We must be on the way to democracy."

When asked whether he feared for his life, Mr. Malval replied: "We all have our life on the line. We know we have a job to do."

A private funeral, attended by family and members of Mr. Malval's cabinet, was held Friday for Justice Minister Francois Guy Malary, who was gunned down outside his office Oct. 14.

On Thursday, a prominent legislator and Aristide supporter, Samuel Milord, was reported missing. His family told an independent radio station that he was kidnapped, but the president of the lower chamber of parliament, Antoine Joseph, said Mr. Milord was in hiding because of death threats.

Mr. Milord, a civil engineer, was one of the first lawmakers to publicly denounce the September 1991 coup that deposed Father Aristide.

Other Aristide supporters have been killed, including Mr. Malary and a prominent businessman, Antoine Izmerly.

Mr. Malval has been under heavy guard. His government has blamed the military authorities and their allied gunmen for the murders and other violence.

General Cédras has refused to retire as required by the UN accord that he signed in July with Father Aristide. UN officials say he agreed to resign by Oct. 15.

The general has said he will not step down until other parts of the accord are carried out, including legislation granting an amnesty to soldiers for atrocities committed after the coup.

Father Aristide, a widely popular leftist priest, was elected by landslide in 1990 and deposed nine months later. He is despised by elements of the army and the conservative elite. Some soldiers have vowed to shoot him if he returns.

(AP, AFP)



A Haitian mother escorting her two children to their school in Port-au-Prince past a mural of the ousted President Aristide.

# CIA Depicts Aristide as Unfit to Govern

By R. Jeffrey Smith and John M. Goshko  
Washington Post Service

WASHINGTON — An unflattering CIA depiction of the Reverend Jean-Bertrand Aristide has been circulated at Capitol Hill as legislators consider the wisdom of committing United States military advisers in support of the deposed Haitian president, according to congressional sources and American officials.

The Central Intelligence Agency's assessment, which contains some information first circulated two years ago by the agency, depicts Father Aristide as having had mental problems and implicates him in a politically motivated murder as well as gang violence. It includes a claim that he once exhorted his supporters in Haiti to use a particularly brutal type of murder, known as "necklacing," to suppress opponents, according to some accounts.

The CIA's National Intelligence Officer for Latin America, Brian Latell, briefed at least 10 Republican and three Democratic senators this week in a special room of the Capitol building reserved for discussions of classified information.

The briefing was requested by Senator Jesse Helms, Republican of North Carolina, who opposes U.S. backing for Father Aristide but Thursday failed to get Senate backing for legislation requiring congressional approval of any troop deployment. Mr. Helms and several other Republicans cited the classified briefing, without describing its substance, in urging the Clinton administration to withdraw its support for Father Aristide and abandon its plan to send American troops to deter any military action against him in Haiti.

American officials and Democratic loyalists on Capitol Hill sought to deflect the Republi-

can accusations, with one source asserting that the CIA report was "flimsy" and another saying that it contained "old" information and claiming that Father Aristide's dealings with Washington this year have been fine.

Asked about the CIA briefing, a White House official said that "it has been our experience that President Aristide has acted responsibly and has the best interests of his country at heart."

Officials declined to comment directly on the CIA briefing because it involved classified information. But one source said although U.S. intelligence agencies considered Father Aristide a "weird, flaky guy," there was no reason to believe that he was impeded in his ability to serve as president of Haiti.

About the same time the intelligence briefing took place on Wednesday, Father Aristide was sipping coffee with members of the Senate Foreign Relations Committee elsewhere in the Capitol and encouraging them to support his return to Haiti. He dismissed the allegation that he is unbalanced and denied the accusations that he advocated "necklacing" or other acts of violence, several participants said.

Sources familiar with the CIA assessment said it described Father Aristide's visit to a psychiatric hospital in Canada in 1980 and included allegations that while serving as a priest in Haiti, he organized a ruthless gang of supporters who routinely used violence.

The sources said that Mr. Latell's briefing included the assertion that Father Aristide suggested in a September 1991 speech to followers that he supported the use of "necklacing," a South African term used to depict murders carried out by placing a fire over around the neck of a victim and filling it with gasoline before setting it afire.

But Father Aristide told senators that in the

speech the only "instrument" he encouraged Haitians to use was the constitution, a participant in the meeting said.

The sources said that in the briefing, the CIA official also asserted that Haitian sources had accused Father Aristide of ordering the murder of a political opponent, Roger LaFontant, at the time the president was deposed in a 1991 military coup. This accusation aroused particular controversy on Capitol Hill, where some legislators described the evidence as credible and others claimed it was weak and largely based on allegations by Lieutenant General Raoul Cédras, who led the coup against Father Aristide.

Senator Larry Pressler, Republican South Dakota, who attended the briefing, said that "my chief concern is that the Clinton administration is trying to do a coverup of bad decision-making regarding Haiti."

He said the briefing had "confirmed that the left hand doesn't know what the right hand is doing."

When Mr. Pressler raised the issue of Father Aristide's mental health on the Senate floor, the majority leader, George J. Mitchell, Democrat of Maine, said, "I am now going to say that we are going to have psychological examinations by people who have never met us, and have these long psychological examinations read out, my gosh, I think it is something every senator ought to be concerned about."

A congressional source who is critical of the administration said Mr. Latell had claimed that CIA representatives did not participate in key meetings where policymakers decided to throw their support behind Father Aristide. The source said Mr. Latell had also disputed a claim by an American official present at the briefing that the CIA's view of Father Aristide was not fully shared by other intelligence agencies.

# Canada's Liberals: How Big a Victory?

By Mary Williams Walsh  
Los Angeles Times Service

TORONTO — With Canadians due to vote on Monday, little doubt remains about the identity of this country's next prime minister.

It will almost certainly be Jean Chrétien, 59, a French-speaking member of Parliament and the Liberal Party leader, a strong federalist who held prominent cabinet portfolios in the governments of Pierre Elliott Trudeau in the late 1960s through early 1980s.

For the last few weeks, opinion polls have consistently shown that the Liberals will finish first among the five main parties contesting the election. Support for the Progressive Conservatives, who form the current government and have been in power since 1984, has suffered a comprehensive collapse. When Kim Campbell, the prime minister, took office four months ago when Brian Mulroney stepped down, she was the front-runner.

The main question left to be decided by the voting on Monday is whether the Liberals will win enough votes to form a majority government, or whether they will only have enough seats for a minority one.

A party must win at least 148 seats to achieve a majority in the House of Commons. Recent polls suggest the Liberals will win from 140 to 170 seats.

Mr. Chrétien's Liberals stand, in general, for economic pump-priming, mild budget-cutting and opposition to Quebec independence. These policies have made them popular in Canada's impoverished Atlantic provinces and in the populous province of Ontario. In those two regions alone, the party could win 100 to 120 seats, according to most polls.

But that would not be enough to give them a majority. And the Liberals cannot count on making up the rest in Quebec, where resentment of the party's long-standing opposition to the nationalist aspirations of French-speaking Quebecers is at something of a peak.

Nor can the Liberals expect to do particularly well in western Canada, where many voters consider them the enemy, thanks to a Trudeau-era energy pricing policy that favored the consumers of eastern Canada at the expense of the oil- and gas-producer-driven economy of the West.

If, however, Mr. Chrétien wins a majority, he falls heir to far more power than the American political system gives its presidents. Canadian members of Parliament are expected to vote unanimously with their parties, so a party with a solid majority of the seats can pass virtually any bill it introduces.

The Progressive Conservatives, who now have a majority government, have used it over the last nine years to ram through Parliament some unpopular measures, such as a 7 percent value-added tax on most goods and services.

Such baro-knuckled use of power is held against the Tories by many Canadians. Current polls suggest the Tories could finish in fourth place, behind two relatively new regional parties.

The party which finishes second in the election forms the official opposition in the House of Commons, receiving financial and staff support and a substantial number of perks.

The two parties competing for second place could not be more different: the Reform Party, a grass-roots movement that opposes big government, is strong in western Canada, and the Bloc Québécois, a party formed three years ago, seeks independence for Quebec.

A second-place performance by the Reform Party would mean another shift to the right in Canadian politics and perhaps the end of an era: for decades, Canada has been far more receptive to social democratic policies than the United States has been.

If, on the other hand, the Bloc Québécois comes in second, particularly if the Liberals can form only a minority government, it would be able as the official opposition to affect every single Commons debate with the question of Quebec sovereignty.

Support for Canada's current third-ranking leftist New Democratic Party has eroded substantially this year. The party, which now has 43 seats in the House, may barely qualify for official party status, which requires at least 12 seats.

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OPINION

Herald INTERNATIONAL Tribune

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Punishment for the Mayhem

The final verdicts from the Reginald Denny beating case in Los Angeles will disenchant many Americans who saw, with their own eyes on videotape, the ferocious attack on an innocent truck driver by vicious rioters.

Damian Williams, the principal assailant, was convicted of felony mayhem on Mr. Denny and four misdemeanor assaults on other victims. His co-defendant Henry Watson is guilty on only one count of felonious assault.

A Threat to Free Expression

This past week a new film called "The Program" that got so-so reviews — and so-so attendance — got an unexpected jolt of publicity. Because it emulated a scene in which several drunken football players lie in the middle of a busy highway, one teenager is dead and two are critically injured.

For a Full Debate on Crime

Congressional leaders and the Clinton administration had just settled on a crime bill, which was expected to sail through both houses by the end of this month. Starting with a bill that fell short of passage last year, legislators made a few changes and announced last month that the new bill's passage was practically assured.

Other Comment

Mr. Dole, a longtime aspirant for the presidency, sought to ingratiate himself with close isolationists in his party by proposing to cut off funding for military operations in Haiti.

America Steps Back and a Demon Peeps Out

By Stephen S. Rosenfeld

WASHINGTON — Much of Congress and the American public are treating President Bill Clinton's new wariness about military engagement in remote hot spots as a victory of prudence over innocence: no quasigrams, no more Vietnam. But it is early to take relief and nowhere more so than in respect to the president's urgent purpose of keeping weapons of mass destruction out of the wrong hands.

By Stephen S. Rosenfeld

Plainly, in all these cases, the answer is no. Then there is the whole parallel question of whether the United States has the political concentration to restrain the friendly as well as the unfriendly suppliers (China, Russia, Israel, Europe) of especially dangerous or on-the-edge weapons and of the unwieldy to build them.

If You Please, Mr. Clinton, Be Just a Bit Less Human

By A. M. Rosenthal

NEW YORK — Like all presidents, Bill Clinton is just a human being, the same as the rest of us. The trouble is that he is acting like it. Most human beings are quick to take credit when things go well, wriggle out of responsibility when they go wrong, talk big, act small, try to bluff their way out of trouble and look put upon when cornered.

European Union? Really? How Nice

By Arie Pais

THE HAGUE — On Friday, European Community leaders will meet to celebrate the ratification of "Maastricht." Congratulations. A new era has begun. A common monetary policy looms on the horizon, and in foreign affairs EC member states will henceforth speak with one voice.

By Arie Pais

most people see a European central bank as something for the next century. Here, too, it is high time to get back to the basics: Allow cooperation among EC central banks to contribute, above all, to what is needed to make the EC a going concern.

You, Too, Can Push Us Around

By Anthony Lewis

BOSTON — Of all the recent setbacks for American foreign policy, none is as damaging to President Bill Clinton's credibility as the humiliation in Haiti.



Then, when a ragtag gang of armed thugs demonstrated against the landing of U.S. and Canadian soldiers, Mr. Clinton and his aides panicked. Instead of leaving the Haitian military to deal with the thugs, the administration sent the ship away.

Women on the Edge of Victimization

By George F. Will

WASHINGTON — "My grandmother lived in a world of manners, hair salons, and no place to go in the mornings." That felicitous first sentence is the first of lights Katie Roiphe's bombshell of a book, in which she argues that a perversion of feminism is reviving stereotypes that constricted her grandmother's world.

"It infantilizes women, portraying them as helpless before the onslaught of insatiable male desire." "We've come a long way," writes Ms. Roiphe, "and now it seems we are going back."

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Archduke Returns

VIENNA — An unusual excitement was observable at the Western Railway station on the arrival of the Orient Express train from Paris, which brought home the Archduke Francis Ferdinand, the Hereditary Prince, after an absence of ten months on a journey around the world.

1943: Surprise Attack

LONDON — [From our New York edition:] In direct aerial support of Yugoslav Partisan troops, American planes yesterday [Oct. 23] surprised and destroyed a formation of six German Stukas attempting to bomb the Partisans along the Dalmatian coast.

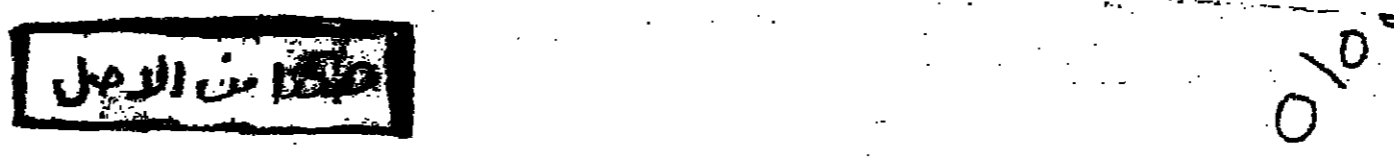
1918: 500 Ships Filled

WASHINGTON, D.C. — As a part of the American plan to increase food shipments to the forces abroad, one measure is of particular interest. Due to clean threshing methods an estimated 16,000,000 bushels of wheat have been added to the supply produced under normal threshing conditions.

Several thousand tests show that raking shock rows has saved about a bushel of grain per acre. The saving represents cargoes of 30,000 bushels each for 500 food ships.

As Mr. Truman understood, he has to decide.

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# 'Islamic Art': Enigmas and Mysteries

## The Field Is Too Complex For Simple Attributions

**International Herald Tribune**  
LONDON — Future generations may marvel at our simplistic approach to distant cultures. Nowhere is it echoed more blatantly than in art market categories and the expressive force found in auction catalogues. This week, the sales of what is called by convention "Islamic Art" brought out the absurdities to which a distorted perception can lead.

There is no more an "Islamic Art" than there is a "Christian Art."

### SOUREN MELIKIAN

from Charlemagne to Queen Victoria, from Finland to Sicily and Portugal, to say nothing of Eastern Europe. An expert — who would declare himself equally competent to hold forth on Gothic champlevé enamel from Limoges and on silver-gilt from Augsburg in the 16th century, on Flemish manuscripts of the 15th century and on French 18th-century furniture, would be out on his ear in two seconds. Yet that and more is what is expected of the "expert" specializing in that is the word, in "Islamic Art."

The sets of problems involved in dealing with the Iranian world, which left a deep imprint on Islamic traditions, or with the Arab world, which absorbed ancient Semitic lands, each require a specific training. So do those relating to Ottoman Turkey or Islamic India. That an extensive grasp of languages — Arabic and Persian are indispensable — and in the Iranian world, with which Andalusia had close links. The calligraphic frieze running along the edges of the kind of rectangular mantle thrown on the back of the lion reproduces, as is to be expected at that period, an invocation ("du'a") calling God's graces on the unnamed owner.

The wishes do not appear in a succession matched anywhere else. This is not a matter of trivial stylistic choice. It concerns the hierarchy of the metaphysical notions that such invocations convey. At the beginning comes "divine grace" (*baraka*, in Arabic), which can be introduced with the coupled words (and notions) "with felicity and divine grace" (*bi'l-yumna wa'l-baraka*).

Equally strange is the mixture of rigidity and weakness in the letter forms. Some are very odd. The style purports to be that of a famous large-size bronze griffin now in Pisa, but in contrast to it, the stylized vegetal motifs coming out of the center of the face, which would appear to be borrowed from earlier plant stylization.

To allay the fears that may have haunted them, the Christie's experts took the rare step of submitting the object for analysis to a laboratory in Oxford. The report says, among other things, that the composition of the alloy differs from that of the other alloys hitherto analyzed in early Islamic objects, but that the corrosion is convincing evidence of age.

This failed to persuade the Spanish scholar A. Fernandez-Puertas, who wrote to Christie's and to me a long letter setting out his reasons for rejecting the authenticity of the piece. After having worked on metalwork from the Iranian world and the Arab world for over a quarter of a century, I myself find this piece inconceivable.

The case of the lion is extreme because it is so spectacular, but it is by no means the only instance of a puzzling object. Christie's, for example, illustrated in color a "fine early Islamic bronze ewer" that is indeed typical of northern Iran in the seventh or eighth century. What is not in the engraver's hand, which looks like something out of a Mickey Mouse comic.

Perhaps some fan of Walt Disney's world of fantasy decided the stern object needed some artistic improvement. A bird dated in the catalogue to "circa 14th century" bears a deceptive resemblance to 19th-century birds with its harsh handling of the head and its sharp

The writing points to the Ottoman empire, probably Turkey, although Syria cannot be ruled out. The ornament leads to the same conclusion.

Elsewhere, a magnificent openwork steel standard made in 1097 of the Muslim era (A.D. 1085-1086) was not "Safavid" either. It is very Iranian in design, but the brass mounts with their snarling heads in purely Indian style rule out Iran. The magnificent piece, the finest battle standard of that type I have seen in the market, made £29,406.

Where epigraphy is most essential is in alerting to the existence of problems. The cataloguers might have tackled somewhat differently the case of the most puzzling piece to turn up on the so-called "Islamic Art" market in many years, had they been familiar with early scripts.

THE massive bronze lion sold for a phenomenal £2.4 million, is an enigma wrapped in mystery. The mystery is how it could have been "the property of a noble European family by descent," a phrase that implies ownership over a long period of time, and yet escaped for so long any form of publicity. Never exhibited, it was hitherto unrecorded.

The enigma is how the piece can deviate so broadly from the whole body of inscriptions now known from early metalwork, animals included, either in Western Arab lands where its origin is hypothetically placed, or in the Iranian world, with which Andalusia had close links. The calligraphic frieze running along the edges of the kind of rectangular mantle thrown on the back of the lion reproduces, as is to be expected at that period, an invocation ("du'a") calling God's graces on the unnamed owner.

The wishes do not appear in a succession matched anywhere else. This is not a matter of trivial stylistic choice. It concerns the hierarchy of the metaphysical notions that such invocations convey. At the beginning comes "divine grace" (*baraka*, in Arabic), which can be introduced with the coupled words (and notions) "with felicity and divine grace" (*bi'l-yumna wa'l-baraka*).

Equally strange is the mixture of rigidity and weakness in the letter forms. Some are very odd. The style purports to be that of a famous large-size bronze griffin now in Pisa, but in contrast to it, the stylized vegetal motifs coming out of the center of the face, which would appear to be borrowed from earlier plant stylization.

To allay the fears that may have haunted them, the Christie's experts took the rare step of submitting the object for analysis to a laboratory in Oxford. The report says, among other things, that the composition of the alloy differs from that of the other alloys hitherto analyzed in early Islamic objects, but that the corrosion is convincing evidence of age.



This massive bronze lion sold for a phenomenal £2.4 million.

graphic border abruptly cut off on the side by the angular edge of the thigh, without any framing band. The band then resumes beyond the undecorated angle, only to be filled with an unrelated vertical volume. Stranger still is the handling of the animals in the pointed shields engraved on the shoulder in direct imitation of the model seen on the Pisa griffin. They are clumsily done, in surprising contrast to the Pisa griffin effigies executed with consummate skill. More bizarrely, there is no consistency in the handling of the eyes of the mythical animals, and one bird (an eagle?) looking back is weird with its kind of frowning eye.

MOST difficult to accept without further discussion is the lion mask. There are too many features that have no match elsewhere, from the high raised contours of the eyes and pupils, to the engraved panels clumsily executed on the nose or the three-stalk motifs on the face, which would appear to be borrowed from earlier plant stylization.

To allay the fears that may have haunted them, the Christie's experts took the rare step of submitting the object for analysis to a laboratory in Oxford. The report says, among other things, that the composition of the alloy differs from that of the other alloys hitherto analyzed in early Islamic objects, but that the corrosion is convincing evidence of age.

The case of the lion is extreme because it is so spectacular, but it is by no means the only instance of a puzzling object. Christie's, for example, illustrated in color a "fine early Islamic bronze ewer" that is indeed typical of northern Iran in the seventh or eighth century. What is not in the engraver's hand, which looks like something out of a Mickey Mouse comic.

Perhaps some fan of Walt Disney's world of fantasy decided the stern object needed some artistic improvement. A bird dated in the catalogue to "circa 14th century" bears a deceptive resemblance to 19th-century birds with its harsh handling of the head and its sharp

edges in the openwork tail. That sold for £25,250. Two days later, it was Sotheby's turn to be lost in doubt. Mysteriously, some lustre painted bowls ("Persia, early 13th century") illustrated in color in the sale catalogue and displayed during the viewing had vanished, "withdrawn," on D-day. So had an "Ottoman Tombak Chamfron Turkey 16th Century" as well as a helmet also given to "Turkey 16/17th century." A panel of Iznik tiles from a set represented in the Kuwaiti Museum, who has one of the finest eyes on Turkish pottery, as "Revivalist art of the late 19th century." They sold for £8,067.

No wonder that in this environment prices go up or down erratically. Many extraordinary items this week in both houses, whether the talk is about an outstanding ewer from ninth-century Khorasan, sold for £48,697 at Christie's, or the remarkable early Iznik vase, smashed in pieces and missing some bits but sold nevertheless for £59,872.

In between, there was a moment of sanity at Bonhams, which had its first "Islamic" sale on Wednesday. Prices were consistent on the whole, with few failures for objects that were less ambitious.

But asked about who should take the responsibility for violent films, Valenti said: "There were 616 films we rated. Some of them were atrocious. There are movie-makers out there who are profane, tawdry, lousy. But a lot of good stuff gets made."

# Rebirth of Victorian Design

By Rita Reiff  
New York Times Service

NEW YORK — Twenty-five years ago, Victorian was a term of disdain. But with today's tastes running to the opulent, the Victorian proclivity for enrichment seems right in step.

In fact, as is evidenced by some of the more lavishly embellished items in "Toward Modern Design: Revival and Reform in Applied Arts 1850-1920" at the Cooper-Hewitt Museum, Victorian style is now viewed by some experts as the precursor of modern.

"Our concepts of the 19th century and of modern have changed," says David Revere McFadden, the museum's curator of decorative arts, who organized the show. "Modern means design of the recent past and is no longer restricted to just pure form. Today the term also includes what seems like the entire history of ornament."

Predictably, the surfaces on the 80 items in the show, all from the museum's collection, range from austere to excessive. The wallpapers, tableware, jewelry and furnishings include not only the forerunners of the minimal designs produced in the 1920s at the Bauhaus in Germany and in the 1960s by Milan architects, but also more elaborate items inspired by nature, history and exotic cultures.

Botanical imagery, which swept through the decorative arts at the turn of the century, shows up in a grouping of a floral vase by Louis Comfort Tiffany, a cucumber-shaped silver dish, a wallpaper patterned with fruit, and a lapel watch, made in 1839, in the form of a diamond-studded pink rose.

Abstract images from nature subtly enhance other pieces. An Art Nouveau buckle by Edward Colonna that glows with opals, pearls and garnets is shaped rather like a bug. And a peacock's tailfeathers are suggested in the blurred swirl of purple and blue on a Tiffany glass vase.

Memorable among the unadorned objects are a snous pottery pitcher by Christopher Dresser of Britain; silver vessels from a tea service by Jean Poulfour of France; a water goblet of the thinnest glass by Josef Hoffmann of Austria; and a sturdy oak and rattan chair by Peter Behrens of Germany.

FOR absolute simplicity there is a teapot in heat-resistant clear glass by Wilhelm Wagenfeld, one of the few Bauhaus objects in the museum's collection.

While the geometric shapes and industrial finishes of designs produced at the Bauhaus were accepted as modern for most of this century, they were not valued the same way by the Victorians.

"As the 19th century defined it, modern design comprised a richer menu of ideas, sources and themes," McFadden says. "And this view reigns again today, especially in the crafts."

Designers in the 19th century borrowed freely from nature and the past, reviving styles that cov-



Tiffany lapel watch.

ered virtually all of history and borrowed from many exotic cultures.

The exhibition includes a line-for-line copy of an ancient Egyptian stool by Liberty & Co. of London and two French designs — a bulbous Islamic-style vessel decorated with flowers by Joseph-Theodore Deck and a vase shaped like a Japanese fan by Emile Gallé.

The pursuit of the past is also seen in such fanciful adaptations as a cut-glass English decanter modeled on an ancient Greek form, an Italian brooch depicting an ancient Roman princess and a rococo

American teapot by Samuel Kirk & Sons of Baltimore.

In the show's wall labels, McFadden quotes several Victorian designers who explain how they immersed themselves in historical and foreign cultures when copying other works.

In 1876, for example, Dresser wrote that his success in translating Arabian, Chinese and Indian patterns depended on becoming, in spirit, "a citizen of the country whose ornament I wish to simulate."

The resulting pastiche of styles and ornament in late-19th-century decorative arts caused many architects and industrial designers to rebel. Agitated at being, as he put it, "malnourished by our stylish furniture," Adolf Loos, a Viennese architect and industrial designer, insisted about 1900 that all surface decoration and curves be erased from modern design to eliminate what he called the "Renaissance, Baroque and Rococo blisters."

The same wealth of influences, which some people find excessive, exists in today's modern designs. "Excessiveness is very much a subjective judgment," McFadden says. "The exhibition was not organized to teach good design, but to explore how these objects were viewed and understood in their own time."

## Dining Out

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1, rue de Valenciennes. Tel: 42.72.00.26.

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**COTE SEINE**  
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**PARIS 7th**  
**YUGARAJ**  
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**PARIS 7th**  
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Specialties of the South-West. Confit de canard & croûtes au gratin de canard. Air conditioned. Open everyday until midnight. 79 rue St. Quentin. Tel: (1) 47.05.49.75. Near Louvre/Tour Eiffel.

**PARIS 15th**  
**LE WESTERN**  
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Paris 15th, av. Suffren. Tel: 42.73.92.00

**PARIS 17th**  
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**CHEZ FRED**  
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**ROME**  
**DA MEO PATAcca**  
Traditional Roman food, music & dancing. 20013 Roma, Piazza del Campidoglio. Tel: 06.5816198, 5892192. Fax: 582552.

**VIENNA**  
**KVERNARSARAY**  
Turkish & left specialties, lobster bar, best seafood restaurant. 1st floor, Hotel 5. Tel: 51.288.42. Air conditioned. 80m. Open: Noon-3 p.m. & 6 p.m.-10 p.m., except Sunday. Open holidays.

# Hollywood Defensive on TV Violence

By Bernard Weinraub  
New York Times Service

LOS ANGELES — Attorney General Janet Reno's threat on Wednesday that the government will take action unless the television industry curbs violent programs has left television executives rushing for cover. A number of these executives said they were puzzled by Reno's warning, which came in the aftermath of several tragedies apparently linked to a movie and a television program.

In one group of incidents, a teenager died and several other teenagers were injured as they imitated a scene in "The Program," a current Walt Disney Co. film about football, in which some players lie in the middle of a busy road to prove their toughness. As soon as the real-life incidents occurred, the Disney Co. took the unusual step of saying it would remove the scene from all 1,222 prints of the film. The film, which has not done well at the box office, has been seen by relatively few people in theaters. But now the excited scene has been viewed by millions because television news programs have reproduced it. "It's absolutely insane to show this now on television," said Carol Lieberman, a psychiatrist

and a former chairman of the National Coalition on Television Violence.

Earlier this week, MTV moved the hit cartoon program "Beavis and Butt-head" to a later hour after saying the two title characters would no longer set things on fire for fun. That was after an Ohio woman blamed the program for the death of her 2-year-old daughter in a fire set by her 5-year-old son.

The question that emerged here was this: What are the responsibilities of filmmakers and television executives in terms of violence? The

answer, in a town where huge sums of money are involved, was that social responsibility goes just so far.

Within the movie industry, the mood seemed to be totally defensive. Executives felt strongly that the government should not involve itself in legislating the content of television programs or films. On the other hand, most of them sidestepped the question of who should take responsibility for excessively violent movies that may be commercially successful.

Jack Valenti, the chairman of the Motion Picture Association of America, which represents the ma-

ajor studios, said in an interview: "I am utterly opposed to the government getting involved in anything to do with content. Any legislation like that would inevitably allow them to graze the outer edge of the First Amendment. This gives a lot of Maoist moments to people in the creative community."

But asked about who should take the responsibility for violent films, Valenti said: "There were 616 films we rated. Some of them were atrocious. There are movie-makers out there who are profane, tawdry, lousy. But a lot of good stuff gets made."

## "THIRTY YEARS OF PASSION FOR A FUTURE PROJECT"

### BERNARD STEINITZ AT SAINT-OUEN

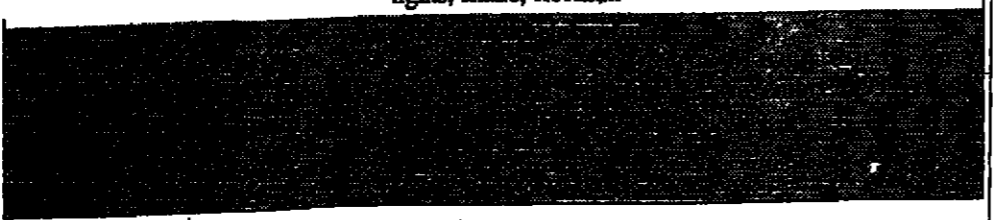
Within the framework of an economic and social project in partnership with the town of Saint-Ouen and the municipality's request to clear the space occupied by the warehouses and studios of

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## auction sales

IN FRANCE  
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**Wednesday, November 3**  
Room 1 at 2.15 p.m. - PAR EASTERN ART from the collection of Monsieur B. and other specialists. Experts: M. Th. Poindar ADER TAJAN, 12 Rue Pavane, 75002 PARIS. Tel: (1) 42.61.80.07. Fax: (1) 42.61.39.57. - In New York, please contact: Kerry Malinonrouge & Co Inc. 16 East 69th Street, fifth floor N.Y. 10021. Phone (212) 757 35 97/757 38 13. Fax: (212) 861 14 34.

**Friday, November 5**  
Room 7 at 2.15 p.m. - XIXth and XXth century PAINTINGS AND SCULPTURES. Experts: M. A. Facit et A. de Louvain ADER TAJAN, 12 Rue Pavane, 75002 PARIS. Tel: (1) 42.61.80.07. Fax: (1) 42.61.39.57. - In New York, please contact: Kerry Malinonrouge & Co Inc. 16 East 69th Street, fifth floor N.Y. 10021. Phone (212) 757 35 97/757 38 13. Fax: (212) 861 14 34.

**Saturday, November 6**  
Room 8 at 2 p.m. - Collectors' GAMES, Exceptional Pieces. On view at LOUJMEUR: Thursday 4 November and Friday 5 November from 10 a.m. - 1 p.m. & 2 - 7 p.m. At the Hotel DROUOT: Saturday 6 November from 11 a.m. - noon. Catalogue on request at the auctioneer's office: FF 30 LOUJMEUR 7 Rue Rossini 75009 PARIS. Tel: (1) 44.79.50.50. Fax: (1) 44.79.50.51.

**Monday, November 8**  
Room 7 at 2 p.m. - MODERN PAINTINGS, SCULPTURES, EXCEPTIONAL GROUP OF 26 WORKS BY EMILE BERNARD (former collection ERSTROMO, ARANDA, BIGAS, BISSIERE, BLANCHARD, BREKER, BUFFET, CHERET, COCTEAU, CROTTI, CSAARY, DALOU, DENIS, DEHAIN, DOMERGUE, DUFRESNE, DUPLY, DUMOUYER DE SECONAZAC, DE FEJURE, FEURE, BOCCACC, FRESSZ, GENEZ, GIACOMMETTI, GOERZ, GONTCHAROVA, GRUBER, HERBIN, HOUDON, KIKOINE, KUPKA, LANSKOY, LAURENCE, LEVY-DHURMER, LHOTE, LOISEAU, LURCAT, MALPRAY, MANE-KATZ, MASSON, METZINGER, MIRKIC, ORLOFF, PICASSO, RECHER, SIGNAC, TRANGUY, TORRES-GARCIA, DE VALMINCK, VOLIT, WOLS. On view at LOUJMEUR from Tuesday 29 to Friday October 29 and from Tuesday 2 to Thursday, November 4 from 10 a.m. - 1 p.m. and from 2 - 6 p.m. Friday November 5 from 10 a.m. - noon. At the Hotel DROUOT: Saturday 6 from 11 a.m. - 6 p.m. and Monday, November 8 from 11 - 12 a.m. Catalogue on request at the auctioneer's office: FF 100/by mail: FF 120. LOUJMEUR 7 Rue Rossini 75009 PARIS. Tel: (1) 44.79.50.50. Fax: (1) 44.79.50.51.

Room 13 at 7 p.m. JEWELRY, FURS, MILLION-ROBERT. 19 rue de la Gange Baudette 75009 PARIS. Tel: (1) 48.00.99.44. Fax: (1) 48.00.98.48.

**PARIS SAINT-OUEN**  
77, rue des Poissiers et 88 rue Marie Curie.  
From Tuesday 9 to Friday November 12, from 11 a.m. - noon and from 2 - 6 p.m. - "30 YEARS OF PASSION FOR A FUTURE PROJECT" BERNARD STEINITZ at Saint-Ouen. Exceptional public auction sale. Decorative 17th & 18th Century interior and exterior elements. More than 1000 lots, from well-known collections and Royal Castles as well as everyday objects. 17th & 18th Century decorator: woodcarvings, statues, marbles, candelabras, iron work, consoles, frames, chandeliers, chairs, clocks. On view from Wednesday 3 to Sunday 7, November from 10 a.m. - 5 p.m. MILLON-ROBERT, 19 rue de la Gange Baudette 75009 PARIS. Tel: (1) 48.00.99.44. Fax: (1) 48.00.98.48.

## Forthcoming Auction

CHRISTIE'S

James Jacques Joseph Tissot (1836-1902). "Quiet", signed and inscribed 'No. 3 "Quiet" oil painting (James Tissot/17 Grove End Road/St John's Wood/INW) on an old label on the reverse, oil on panel, 12 1/2 x 8 1/2 in. (31.7 x 21.6 cm.). Estimate £200,000-300,000



Auction: London, 5 November 1993 at 10.00 a.m.

Viewing: 31 October-4 November

Enquiries: London, Martin Beisly on (4471) 389 2468 or Neil Wilson on (4471) 389 2395

Catalogues: London, (4471) 389 2820 (sales)

8 King Street, St. James's, London SW1Y 6QT  
Tel: (4471) 839 9060 Fax: (4471) 389 2204

# NYSE

Friday's Closing  
Tables include the nationwide prices up to  
the closing on Wall Street and do not reflect  
late trades elsewhere. Via The Associated Press

Symbol	High	Low	Open	Close	Change
IBM	115.25	113.75	114.50	114.00	-0.50
MSFT	50.25	49.00	49.50	49.00	-0.50
GE	33.25	32.50	32.75	32.50	-0.25
DIS	24.25	23.75	24.00	23.75	-0.25
WMT	41.25	40.50	40.75	40.50	-0.25
AMZN	19.25	18.75	19.00	18.75	-0.25
GOOG	51.25	50.50	50.75	50.50	-0.25
ORCL	26.25	25.75	26.00	25.75	-0.25
INTC	19.25	18.75	19.00	18.75	-0.25
QCOM	31.25	30.75	31.00	30.75	-0.25
TXN	17.25	16.75	17.00	16.75	-0.25
CVS	29.25	28.75	29.00	28.75	-0.25
MRK	27.25	26.75	27.00	26.75	-0.25
LLY	35.25	34.75	35.00	34.75	-0.25
PFE	23.25	22.75	23.00	22.75	-0.25
ABB	15.25	14.75	15.00	14.75	-0.25
BA	45.25	44.75	45.00	44.75	-0.25
GM	21.25	20.75	21.00	20.75	-0.25
F	18.25	17.75	18.00	17.75	-0.25
GM	15.25	14.75	15.00	14.75	-0.25
GM	12.25	11.75	12.00	11.75	-0.25
GM	9.25	8.75	9.00	8.75	-0.25
GM	6.25	5.75	6.00	5.75	-0.25
GM	3.25	2.75	3.00	2.75	-0.25
GM	0.25	0.00	0.00	0.00	0.00

IBM shares fell 0.50 points to 114.00, while Microsoft slipped 0.50 points to 49.00. General Electric and Disney also lost ground, ending at 32.50 and 23.75, respectively. Amazon.com and Oracle saw similar declines to 18.75 and 25.75. Intel, Qualcomm, Texas Instruments, and CVS Health all moved lower by 0.25 points each. Boeing, General Motors, Ford, and Johnson & Johnson also registered 0.25-point drops. Pfizer, Abbott Laboratories, and Bristol-Myers Squibb saw 0.25-point declines. Amgen, Merck, and Eli Lilly also lost 0.25 points. AstraZeneca, Bristol-Myers Squibb, and Amgen saw 0.25-point declines. Amgen, Merck, and Eli Lilly also lost 0.25 points. AstraZeneca, Bristol-Myers Squibb, and Amgen saw 0.25-point declines.

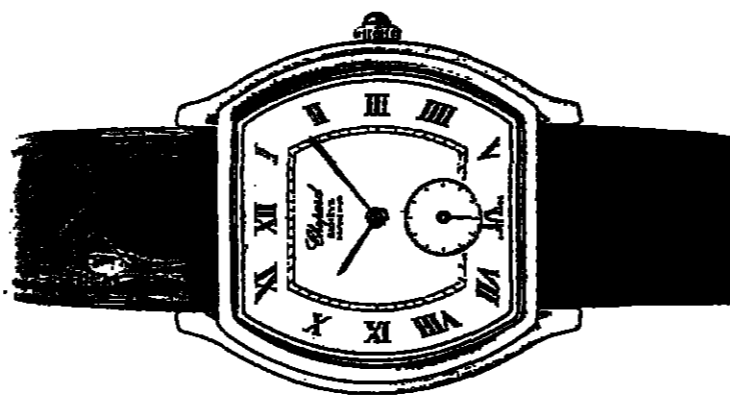
Chrysler, Daimler-Benz, and Ford Motor all lost 0.25 points. Ford Motor's shares fell 0.25 points to 11.75. Daimler-Benz slipped 0.25 points to 14.75. Chrysler lost 0.25 points to 12.75. General Motors saw a 0.25-point decline to 8.75. Ford's shares fell 0.25 points to 11.75. Daimler-Benz slipped 0.25 points to 14.75. Chrysler lost 0.25 points to 12.75. General Motors saw a 0.25-point decline to 8.75.

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BUSINESS

LEICA M6. A MASTERPIECE OF ART. Leica logo and contact information.

International Herald Tribune, Saturday-Sunday, October 23-24, 1993

THE TRIB INDEX: 110.86. International Herald Tribune World Stock Index. Includes charts and tables for Asia/Pacific, Europe, and N. America.

Raider Is Fined In China. BEIJING — In an important test case for regulatory policy, the stock market watchdog...

Your Company, On-Line SEC Data to Come Free via Computer. By John Markoff. In June, the Office of Management and Budget announced that it was reversing previous administration policy...

New Rate Cuts Send European Stocks Surging. By Richard W. Stevenson. LONDON — Buoyed by a round of interest-rate cuts, Europe's major stock exchanges surged to record levels Friday...

ECONOMIC SCENE Nobel Winner Advances His Field by Looking Back. By Peter Passell. NEW YORK — Open just about any college history text, and you'll find it is full of economics...

Asian Airlines, Looking for Savings, Buy Fewer Planes. By Michael Richardson. BANGKOK — From the end of this month, businessmen and tourists bound for China will be able to fly directly from Bangkok to Guangzhou or Shanghai on a three-weekly service...

Continuation of New Rate Cuts Send European Stocks Surging. Paris gaining 25.9 percent in the same period and London 16.8 percent.

Continuation of Nobel Winner Advances His Field by Looking Back. Southern plantations, Mr. Fogel and his co-author, Stanley Engerman of the University of Rochester, argued, were one-third more efficient than the small family farms of the North...

Lourho Ends Long Dispute With Fayeds. LONDON — Roland (Tiny) Rowland and the Fayeds brothers on Friday ended their long-running legal disputes and said they would seek the dismissal of any pending litigation between them.

For Billable Hour, Time's Up. By Margot Slade. NEW YORK — It was the bedrock of the lawyer-client relationship: the billable hour, that chunk of time-on-the-legal-facts for which many lawyers have unthinkingly charged and most clients have unthinkingly paid.

CURRENCY AND CAPITAL MARKET SERVICES. CURRENCY MANAGEMENT CORPORATION PLC. FOREIGN EXCHANGE & GOLD. Market Myths and Duff Forecasts for 1993.

CURRENCY & INTEREST RATES. Cross Rates table showing exchange rates for various currencies.

CURRENCY & INTEREST RATES. Eurocurrency Deposits and Key Money Rates tables.

Japan Denies Reports Of Mexican Trade Pact. By Steven Brull. TOKYO — Japanese officials on Friday discounted comments by the Clinton administration suggesting that if the North American Free Trade Agreement is rejected by Congress, Mexico and Japan might enter into a preferential trade accord.

NOTICE OF INTERNATIONAL PUBLIC BID No. 3 ARGENTINE REPUBLIC PROVINCE OF SANTE FE. MINISTRY OF FINANCE. Financial Improvements and Economic Development Program of the Argentine Provinces.

U.S./AT THE CLOSE

MARKET DIARY

STOCKS: Rate Cuts Give Boost

Continued from Page 11
value of the franc with high rates, even if it meant choking off any hope of economic recovery...

only significant economic growth of any West European nation, is also expected to cut its base lending rate by half a point within the next month...

Lower Interest Rates Add to Dollar Gains

Compiled by Our Staff From Dispatches
LONDON — The dollar showed slight signs of fatigue in European trading Friday, after a week of solid gains...

Bundesbank on Thursday cut its discount rate half a percentage point to 5.75 percent and its Lombard rate by the same amount to 6.75 percent...

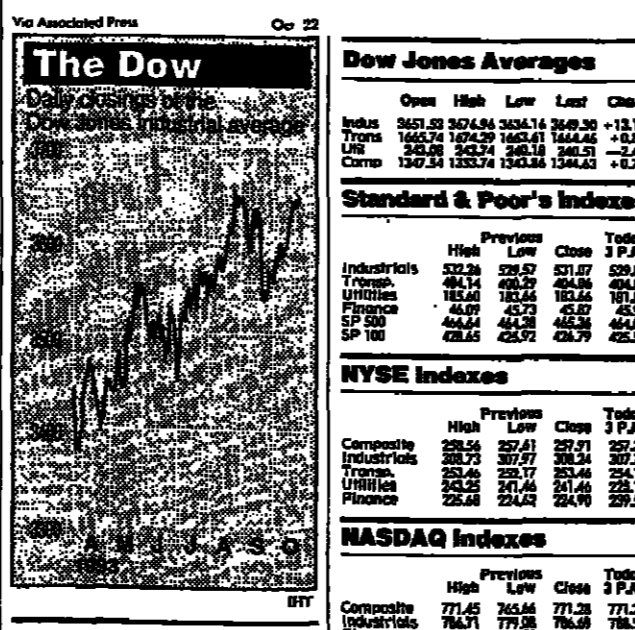


Table with columns: Vol, High, Low, Last, Chg. for NYSE Most Actives.

Table with columns: Vol, High, Low, Last, Chg. for NYSE Diary.

Table with columns: Class, Prev. for Previous NASDAQ Diary.

Table with columns: Class, Prev. for Apex Diary.

Table with columns: Class, Prev. for World Stock Markets (Amsterdam, Helsinki, Hong Kong, etc.).

EUROPEAN FUTURES

Table with columns: Close, High, Low, Prev. Class, Chg. for European Futures (Food, Industrials, Metals, etc.).

Visa Backs Off on Ad Feud With Amex

NEW YORK (Bloomberg) — Visa U.S.A. will change a television advertisement that claimed American Express cards were not accepted in Telluride, Colorado...

Kimberly-Clark Earnings Drop 18%

DALLAS (UPI) — Kimberly-Clark Corp. said Friday that despite an improvement in sales volume, third-quarter earnings fell 17.5 percent to \$112 million from \$134.8 million a year earlier...

Cutback on Bank Exams Proposed

WASHINGTON (Bloomberg) — The government should cut back on its examinations of banks as shareholders increase their investments in the financial institutions, a Federal Reserve board member, Wayne Angell, said Friday...

BankAmerica to Cut Over 3,000 Jobs

SAN FRANCISCO (Bloomberg) — Faced with prolonged recession in its California market, BankAmerica Corp. has announced it will eliminate 3,000 to 3,750 more jobs by the end of 1994...

Du Pont Sells Remington Arms Unit

NEW YORK (NYT) — Remington Arms Co. has been sold by its parent, Du Pont Co., to Clayton, Dubilier & Rice Inc., a New York investment firm...

For the Record

The New York Times Co. reported a loss of \$3 million for the third quarter, after a loss of \$35 million in the comparable period last year. Its newspaper group had an 8.4 percent decrease in operating profit to \$13.1 million in the quarter.

U.S. FUTURES

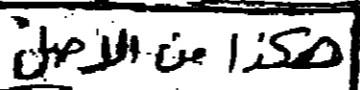
Table with columns: Open, High, Low, Close, Chg. for U.S. Futures (Grains, Metals, Livestock, Food, etc.).

TO OUR READERS IN FRANCE

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Table with columns: High, Low, Close, Chg. for Stock Indexes and Commodity Indexes.

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## For Pub Operator, a Vintage Year

### Wetherspoon's Profit Has Doubled Since Share Float

**Bloomberg Business News**  
 LONDON — Tim Martin likes traditional English pubs so much he just can't stop buying them.

He bought his first in 1979, when he was a newly qualified 24-year-old lawyer. He now owns 44 drinking establishments — 20 of them acquired in the last year alone — and he plans to buy 23 more before the end of 1994.

Mr. Martin is chairman of J.D. Wetherspoon, Britain's fastest-growing chain of pubs. The company is both a symbol and a beneficiary of a revolution in the British beverage industry that began in the late 1980s and reached a crescendo a year ago when Wetherspoon went public.

To try to reduce the control over the beer industry held by a half-dozen large brewers, the U.K. government ordered them to divest themselves last year of some of their pub holdings. Coming when health concerns and rising prices were already steering people away from alcoholic refreshment, the mandate, which took effect in November 1992, altered the makeup of the pub business.

Some large brewers, such as Courage Ltd., got out of the business entirely to concentrate on brewing. Some regional brewers chose to go the other way and concentrate on operating taverns. And more than a score of independent companies with no experience on either side of the business decided to try their hand at running the pubs as well.

Wetherspoon, whose shares began trading a year ago Friday, has been among the most successful of the neophytes. In the past year, the company's pretax profit doubled from the year before, to £4.2 million (\$6.2 million). Its shares, which were priced at 160 pence in their initial offering, were trading at 349 pence Friday.

"I'm positive about the company," Nigel Popham, a beverage analyst at Teather & Greenwood, said. "It's in a sustained period of growth in pretax profits and earnings. It's expanding its number of outlets on a year-by-year basis, and it looks pretty promising."

Almost all the pubs in Wetherspoon's burgeoning chain are in and around London, where Mr. Martin began his business.

"They say everyone knows two businesses in life — your own, and how to run a pub," Mr. Martin said. "So I sold my flat, got a bank loan, bought my first pub and lived in rooms above it."

Four years later, he sold that one and bought a larger pub. Gradually he drew up an acquisitions policy, learned to spot good locations — a vital skill, he says — and prepared to push planning and licensing applications through the courts, a costly but necessary procedure that requires a publican to invest in projects that might never come to life.

Mr. Martin's legal background clearly helped. Only two of Wetherspoon's 14 planning applications have failed to win legal

**They say everyone knows two businesses in life — your own, and how to run a pub.**

**Tim Martin, chairman of Wetherspoon, Britain's fastest-growing chain of pubs.**

approval, and all the company's liquor-licensing applications have been approved.

In its quest for the best locations, Wetherspoon has turned used-car showrooms, Woolworth's stores, supermarkets, a movie theater and a bakery into pubs.

"Locating in the right spots in busy inner-city areas or large suburbs has been crucial," Mr. Martin said. "Plus, we've built up a method of running pubs which is different and better, and with our own management structure. We have honed a retail formula."

Wetherspoon has its own training program. It prefers to hire inexperienced personnel and teach them rather than recruit bartenders and other employees from the big chains. Mr. Martin's pubs also charge less for beer than do many of their competitors — on some beers, as much as 20 pence a pint less — yet still turn a profit.

Mr. Martin is actually a second-generation professional in the business, though. His father worked for Guinness PLC and set up the giant brewer's marketing operation in New Zealand, and that was where he encountered the name he was to give to his company.

"Wetherspoon was the name of one of my teachers when I was at school in New Zealand," he said. "He was a nice guy, but he just couldn't control a class of rowdy youths."

Why did he end up choosing the old teacher's name? "He seemed the most unlikely guy to run a pub, so I thought why not?"

But Mr. Martin could not remember the teacher's first name, so he pulled the initials J.D. from the American television program "The Dukes of Hazzard," whose protagonist went by the name of J.D. Hogg.

"I just thought it would be fun to call the company after these two," Mr. Martin said.

## After 18 Months, Britain's Recovery Still Chugs Along

**Compiled by Our Staff From Dispatches**  
 LONDON — The British economy rounded out 18 months of tentative recovery with modest growth in the third quarter, the government announced Friday.

Gross domestic product, the total value of goods and services produced in the country, rose a preliminary 0.6 percent from the second quarter, and was up 2.0 percent from a year earlier, the Central Statistical Office said.

The rise, propelled by strong growth in the service sector, marked the sixth straight quarter of growth. GDP fell by 2.3 percent in 1991, and dropped by 0.4 percent in the first quarter of the year.

Since the beginning of the year, GDP has risen by 1.6 percent, with increases of 0.4 percent in the first quarter and 0.6 percent in the second three months of the year.

The Treasury said the figures put to rest any speculation that the recovery was slowing.

But while some analysts were cheered with the result, many remained cautious.

"We're clearly seeing some recovery," said Barry Scott, group economist at British Gas PLC. "But as far as we're concerned, this upturn remains weak and patchy."

Ruth Lea, chief economist at Mitsubishi Bank in London, said: "The GDP figures were O.K., and I expect the economy to grow around 2.5 percent in 1994. But the risks from weak European demand should not be underestimated."

"This recovery won't be brilliant," she added.

Also worrisome to analysts was that growth in the quarter slowed slightly to 0.4 percent, from 0.5 percent in the second, when oil and energy production were excluded.

But Kevin Gardiner, economist at Warburg Securities in London, called the data wholly positive.

"I think people have tended to underestimate the rebound in the economy," he said. "Despite the slowdown in export growth, there is no reason GDP cannot expand by around 3.0 percent in 1994."

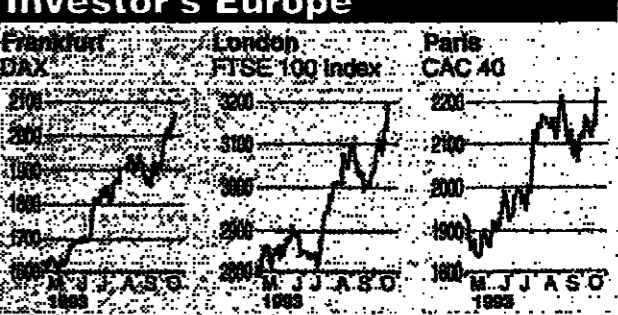
While many economists expect growth to be higher next year, they said further gains would hinge on lower interest rates and an increase in consumers' willingness to spend rather than save.

"None of these is guaranteed," the Treasury's panel of independent advisers told the chancellor of the Exchequer, Kenneth Clarke, this week. The advisers said Mr. Clarke should cut rates again if he tries to curb the budget deficit with tax increases or spending cuts.

Mr. Scott said: "The worst thing we could do is not match other European rate cuts. We must keep cutting rates."

*(Bloomberg, Reuters, AFP)*

### Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Frankfurt	DAX	2,065.77	2,034.68	+1.55
London	FTSE 100	3,196.00	3,188.30	+0.24
Paris	CAC 40	3,070.00	3,045.00	+0.82

Sources: Reuters, AFP

**Very briefly:**

- Fiat SpA will become part of the "hard core" of shareholders in the privatization of Rhone-Poulenc SA of France.
- Nokia Oy swung to a pretax profit of 466 million Finnish markkaa (\$80 million) in the first eight months from a loss of 277 million markkaa.
- Thomson-CSF will cut its 1993 dividend because of losses at Credit Lyonnais in which Thomson has a 22 percent stake.
- Saab-Scania AB's Saab Aircraft unit said it plans to cut 500 jobs.

*(Reuters, AFP, Bloomberg)*

## NOBEL: Economics Winner Blazes Unorthodox Trail

**Continued from Page 11**  
 interpretation that does not undermine the core implication that slavery was there to stay but does suggest that the language was unnecessarily provocative.

The storm over "Time on the Cross" has also had the unfortunate effect of obscuring Mr. Fogel's less controversial achievements. "Railroads and Economic Growth" (Johns Hopkins University Press, 1964), strongly influenced by the Nobel laureate Simon Kuznets, challenged the foundations of development economics.

Before the book, theorists from Joseph Schumpeter to Walter Rostow had asserted that the rise of single industries brought about the development of whole economies. But Mr. Fogel calculated that the leading candidate in the case of America — the railroads — was far from indispensable in the opening of the Great Plains.

Ms. Goldin points out, incidentally, that the indif-

ferability theme is as relevant today as it was in the 1960s: The Clinton administration is now making the case for subsidizing high technology as the solution to America's productivity woes.

Quite possibly, though, Mr. Fogel's most enduring research will be his effort to measure changes in living standards over long periods. Certainly it shows him at his most versatile.

Wearing his administrator's hat, he is coordinating the most ambitious project ever attempted in economic history, one involving dozens of researchers and millions of dollars.

And wearing his interdisciplinary researcher's hat, he is going where no economist has gone before. Among the tentative findings: In Europe of the early 18th century, malnutrition was such a serious drag on productivity that roughly one-fifth of the adult population did not have the caloric intake to work.

Just where the project will end is unclear. But Mr. Fogel is already up to his old tricks of knocking received wisdom off its moorings: It is plausible, he suggests, that the average American's rise in living standards from the early 1830s until World War II was almost fully offset by the detrimental health effects of urbanization, industrialization and immigration.

## Germany Moves to Lower Benefits for Unemployed

**Reuters**  
 BONN — The lower house of the German legislature approved spending cuts Friday that would reduce unemployment benefits by up to three percentage points starting next year.

The cuts, which come in the face of record budget deficits, are intended to save 21.4 billion Deutsche marks (\$13 billion) in 1994 and more in following years.

The move came as the Federal Statistics Office reported that West German producer prices, continuing a five-month decline, in September recorded their steepest year-on-year fall since 1987. Prices at the wholesale level fell 0.2 percent, and were down 0.5 percent from a year ago.

Finance Minister Theo Waigel

told the Bundestag that the benefits cuts were needed to keep the deficit from soaring to 100 billion DM next year. He said he expected a record budget deficit of 67.5 billion DM in 1994.

The opposition Social Democrats have threatened to block the benefits cuts in the upper house of the legislature, the Bundesrat, which they control. But 90 percent of the measures, including the cuts in unemployment payments, do not require Bundesrat approval.

Under the package, the initial unemployment benefit for people without children will be cut to 60 percent of their last salary, from the previous 63 percent. For those with children, the benefit would fall to 67 percent, from 68.

## Nedlloyd Offers Drilling Unit

**Compiled by Our Staff From Dispatches**  
 AMSTERDAM — Royal Nedlloyd Groep NV, the shipping and transport company, said Friday it would restructure the ownership of its offshore drilling unit, Neddrill BV.

It said the company was looking at alternatives, including a full or partial sale, a joint venture or a listing on an international exchange.

Nedlloyd shares, suspended until mid-afternoon pending the announcement, dropped 1 guilder to close at 52.60 guilders (\$28). The stock has risen more than 30 percent since Oct. 1.

*(Bloomberg, AFX)*

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## NASDAQ

**Friday's Prices**  
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	52	High	Low	Latest Chg
100	90	AAA	1.00	6.00	15	100	100	90	0.00
120	110	ABC	1.20	6.50	18	120	110	105	0.10
140	130	DEF	1.40	7.00	20	140	130	120	0.20
160	150	GHI	1.60	7.50	22	160	150	140	0.10
180	170	JKL	1.80	8.00	25	180	170	160	0.20
200	190	MNO	2.00	8.50	28	200	190	180	0.10
220	210	PQR	2.20	9.00	30	220	210	200	0.10
240	230	STU	2.40	9.50	32	240	230	220	0.10
260	250	VWX	2.60	10.00	35	260	250	240	0.10
280	270	YZA	2.80	10.50	38	280	270	260	0.10
300	290	BCD	3.00	11.00	40	300	290	280	0.10
320	310	EFG	3.20	11.50	42	320	310	300	0.10
340	330	HJK	3.40	12.00	45	340	330	320	0.10
360	350	LNM	3.60	12.50	48	360	350	340	0.10
380	370	OPQ	3.80	13.00	50	380	370	360	0.10
400	390	RST	4.00	13.50	52	400	390	380	0.10
420	410	UVW	4.20	14.00	55	420	410	400	0.10
440	430	XYZ	4.40	14.50	58	440	430	420	0.10
460	450	ABC	4.60	15.00	60	460	450	440	0.10
480	470	DEF	4.80	15.50	62	480	470	460	0.10
500	490	GHI	5.00	16.00	65	500	490	480	0.10

# NYSE

Friday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

(Continued)

12 Month High	Low	Div	Yld	PE	High	Low	Low	Low	Low
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								

12 Month High	Low	Div	Yld	PE	High	Low	Low	Low	Low
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								
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12 Month High	Low	Div	Yld	PE	High	Low	Low	Low	Low
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								
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12 Month High	Low	Div	Yld	PE	High	Low	Low	Low	Low
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								
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12 Month High	Low	Div	Yld	PE	High	Low	Low	Low	Low
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								

12 Month High	Low	Div	Yld	PE	High	Low	Low	Low	Low
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								
ABC INVESTMENT & SERVICES CO (E.A.)	13.24								

## INTERNATIONAL FUNDS

Oct. 22, 1993

Quotations supplied by funds listed. Not asset value quotations are supplied by the Funds listed with the exception of some quotes based on lower prices. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly (every two weeks); (r) - regularly; (t) - twice weekly; (m) - monthly.

Fund Name	Price	Change	Div	Yld	PE
ABC INVESTMENT & SERVICES CO (E.A.)	13.24				
ABC INVESTMENT & SERVICES CO (E.A.)	13.24				
ABC INVESTMENT & SERVICES CO (E.A.)	13.24				

RESULTS

MEX

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

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# Seoul Finds Honesty Makes Uncomfortable Policy

**By Paul Blustein**  
*Washington Post Service*

**SEOUL**—When corruption is as deeply embedded in a country's political and economic system as it is in South Korea, rooting it out can disrupt the economy.

Two months ago, Kim Young Sam, the reform-minded president, struck a blow for what he calls "economic justice" by banning the use of false names to hide the ownership of bank accounts and stock portfolios.

The system allowed the moneyed elite to easily transfer huge sums without detection, enabling them to engage in bribery, tax evasion and stock manipulation.

But now South Korea is facing the reality that economic justice has a price. Mr. Kim's war on corruption is sapping the economy's vitality, at least temporarily.

"In Korea we have a saying: Good medicine always produces bad side effects," said Yun Yuo Jin, an economist at Macul Kyungje, Seoul's leading financial daily.

Earlier this month, the government projected that the economy would soon snap back from last year's slowdown, largely because of the real-name system now in force.

The government's think tank lowered its forecast of growth for this year from 6 percent to 4.5 percent, a big come-down for a country that grew at an average annual pace of nearly 10 percent over the prior decade.

One reason the new policy is holding back the recovery is that a big chunk of the economy—in particular small and medium-sized businesses—had come to depend for financing on the money deposited

in phony-name accounts, which are estimated to contain tens of billions of dollars.

In the alleys of Myongdong, an area near Seoul's city hall, money lenders traditionally have served as an important source of funds for small companies by leading cash obtained from anonymous account holders. But such "curb markets" have shrunk significantly since the Aug. 12 decree.

Another reason is that government tax investigations, which is dampening the desire of consumers and businesses to spend.

The real-name system is Mr. Kim's boldest move to date in a campaign to rid South Korea of the payoffs to public servants that grease the wheels of commerce in this heavily regulated economy.

Since he came to office last February as the nation's first civilian president in three

decades, his administration has proven zealous in purging and prosecuting generals and politicians whose wealth grew suspiciously large during the era of military rule. Critics note, however, that the targets of the anti-corruption drive have tended to come from rival party factions.

The importance of false-name accounts to the economy stems in part from South Korea's state-controlled financial system.

Since the 1960s, the government has used its power over banks to ensure that scarce credit is funneled into the development of export-oriented conglomerates such as Hyundai, Daewoo and Samsung.

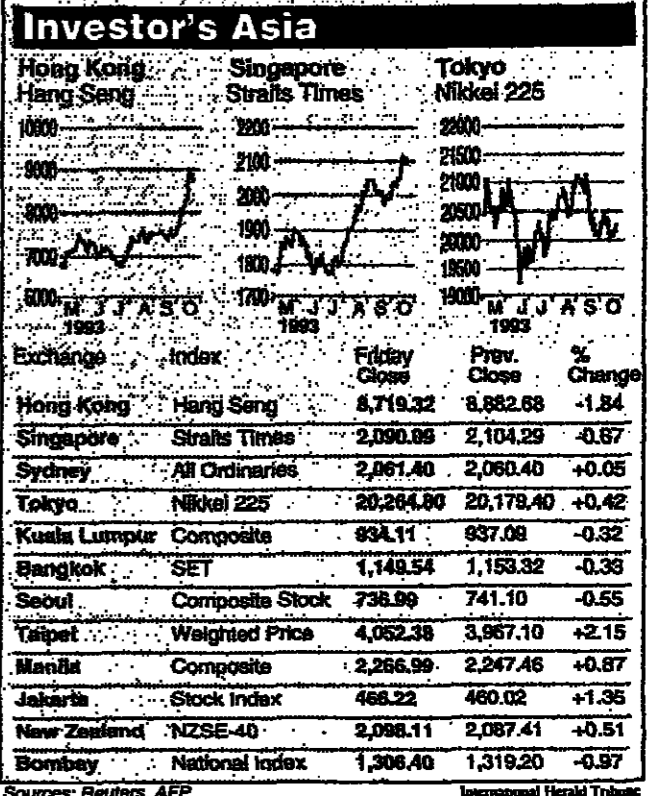
The authorities kept tight reins on interest rates, giving banks little incentive to lead their leftover funds to small busi-

nesses. As a result, small companies have turned to the curb markets.

Anticipating that the abolition of false-name accounts could trigger bankruptcies among small businesses, the government has provided emergency working-capital loans to companies teetering on the brink.

In addition, the government recently offered holders of false-name accounts the option of using their funds to buy low-interest government bonds—quickly dubbed "amnesty bonds"—with the promise that purchasers will not be asked where the money came from.

The arrangement "betrays the spirit of punishing those who have benefited illicitly in the past," said Steve Marvin, director of research in the Seoul office of Jardine Fleming Securities.



## Talks on Indonesia-BaE Deal in Final Stages

**JAKARTA**—The Indonesian state-run airline manufacturer, IPTN, is in the final stages of talks with British Aerospace PLC on planned cooperation in aircraft marketing, a top government official said Friday.

Research and Technology Minister Jusuf Habibie said: "We plan to form a joint venture with BAe, especially on the marketing of IPTN's N-250."

Mr. Habibie, who also is presi-

dent-director of IPTN, declined to speculate on further possible cooperation with BAe if the British aircraft maker's talks with Taiwan on a joint-venture deal collapse.

That proposal, to make 75- to 115-seat regional passenger jets assembled in Britain and Taiwan, has run into financial problems.

The minister noted that IPTN "already has long-term relations with BAe" on the Hawk fighter-trainer. He was referring to a deal

## At Tokyo Car Show, Chrysler's Neon Is a Big No-Show

**By Andrew Pollack**  
*New York Times Service*

**TOKYO**—As the United States presented demands this past week for Japan to open its market to foreign automobiles, the American car considered to have one of the best chances of succeeding here was conspicuously absent from the Tokyo Motor Show.

Chrysler Corp. is not exhibiting its Neon, a new subcompact intended to compete in the home market with small Japanese cars, because the company has no immediate plans to sell the model in Japan.

That plays to Japanese arguments that American carmakers have only themselves to blame for failing to sell more cars here. Still, the Big Three U.S. car companies have been making a stronger push in Japan and achieving sales gains, helped by a rise of the yen that has allowed them to lower prices.

This week, as the Neon was becoming the most talked-about product not at the show, Chrysler officials said they did plan to sell the car in Japan eventually, but still had not decided when.

As Japan's premier auto show opened at midweek, U.S. and Japanese negotiators began discussions in Tokyo on ways to increase sales of U.S. and other non-Japanese cars and car parts in Japan.

Japan has argued that Detroit does not offer the small, inexpensive cars that Japanese consumers prefer. About 80 percent of the Japanese market is for cars with engine displacement of 2 liters or less, yet the Big Three offer no cars in this category in Japan.

In remarks to reporters, Robert A. Lutz, president and chief operating officer of Chrysler, defended the company's strategy, asking what could be wrong with compet-

"in the 20 percent of the market" that is over 2 liters.

Japan also has noted that the American companies did not offer cars with steering wheels on the right. Mr. Lutz said that until now, Chrysler could not justify making such cars for Japan because, with expected sales so low, it could not realize a good return.

Early this year, Chrysler began selling a right-hand-drive Jeep Cherokee in Japan and expects sales to grow to 3,500 this year, from a little more than 1,000 last year. Mr. Lutz said Chrysler would offer four more right-hand-drive models in the next two to three years.

Over all, sales of American cars are rising in Japan but remain very small. The Big Three exported 14,000 cars to Japan in 1992, 0.3 percent of the market.

Total imports, excluding cars made in Japanese-owned factories abroad, amounted to about 159,000 passenger cars, or 3.5 percent of the market.

General Motors has not yet begun Japanese sales of its Saturn, which is also considered highly competitive with Japanese vehicles. GM's main net offering at the auto show was not an economy car but a new \$70,000 Cadillac.

**No Miracle Recovery**

Industry analysts said Japanese carmakers who had pinned their hopes on the Tokyo Motor Show as the key to spurring domestic demand were likely to be disappointed. Reuters reported from Tokyo.

"The motor show is unlikely to trigger a recovery in domestic car demand, as was the Frankfurt Show in September," said Hiroshi Suenama, a senior analyst at Kanaka Research Institute Inc.

The economic slowdown has been tough on car sales. In 1992, domestic vehicle sales fell to 6.96 million, from 7.52 million in 1991.

**Very briefly:**

- The Asian Development Bank authorized its first assistance to Vietnam in 15 years with a grant of \$568,000 to support the country's program of loans to private farmers; an ADB loan of \$76.5 million for irrigation systems and flood control was expected as early as next Tuesday.
- The ADB predicted that China would successfully achieve a "soft landing" for its overheated economy.
- Taiwan Aerospace Corp. held "positive discussions" with British Aerospace PLC but failed to resolve long-standing differences over a proposed \$775 million joint venture.
- Cheung Kong (Holdings), controlled by Li Ka-shing, and Centre Regent Investment of China are bidding 940 million Hong Kong dollars (\$120 million) to buy a 70.9 percent stake in the Hong Kong real estate group Emperor (China Concept) Investments Ltd.
- Japan's household spending in August fell 0.9 percent, compared with a year earlier; it was the fourth straight monthly decline.
- The Bank of Japan said economic growth in the fourth quarter appeared "weak" and that there were no "clear indications of imminent recovery."
- The BOJ said that the money supply, as measured by M2 plus certificates of deposit, was expected to grow by 2 percent in the quarter that ends in December, compared to the final quarter of a year ago.

Reuters, AP, AFP, Bloomberg

## COMPANY RESULTS

Company	1993	1992	1991	1990
<b>Air Products &amp; Chem.</b>	Revenue: 2,128.00	2,052.00	1,901.00	1,778.00
Net Inc.:	126.00	102.00	91.00	83.00
Per Share:	1.12	0.92	0.82	0.75
<b>Allstate</b>	Revenue: 10,229.00	9,618.00	9,081.00	8,612.00
Net Inc.:	1,256.00	1,154.00	1,082.00	1,002.00
Per Share:	1.06	0.97	0.92	0.85
<b>Amer. Cyanamid</b>	Revenue: 1,475.00	1,379.00	1,279.00	1,179.00
Net Inc.:	158.00	148.00	138.00	128.00
Per Share:	1.28	1.20	1.12	1.04
<b>Amer. General</b>	Revenue: 1,188.00	1,102.00	1,018.00	934.00
Net Inc.:	118.00	108.00	98.00	88.00
Per Share:	1.02	0.93	0.85	0.77
<b>AT &amp; T</b>	Revenue: 1,452.00	1,366.00	1,282.00	1,198.00
Net Inc.:	145.00	135.00	125.00	115.00
Per Share:	1.20	1.12	1.04	0.96
<b>Banque Paribas S.A.</b>	Revenue: 3,271.00	3,129.00	2,987.00	2,845.00
Net Inc.:	472.00	452.00	432.00	412.00
Per Share:	3.93	3.77	3.61	3.45
<b>Bankers Trust N.Y.</b>	Revenue: 1,448.00	1,362.00	1,276.00	1,190.00
Net Inc.:	144.00	134.00	124.00	114.00
Per Share:	1.20	1.12	1.04	0.96
<b>Boehringer</b>	Revenue: 1,188.00	1,102.00	1,018.00	934.00
Net Inc.:	118.00	108.00	98.00	88.00
Per Share:	1.02	0.93	0.85	0.77
<b>Boisjoly</b>	Revenue: 1,188.00	1,102.00	1,018.00	934.00
Net Inc.:	118.00	108.00	98.00	88.00
Per Share:	1.02	0.93	0.85	0.77
<b>Bombardier</b>	Revenue: 1,188.00	1,102.00	1,018.00	934.00
Net Inc.:	118.00	108.00	98.00	88.00
Per Share:	1.02	0.93	0.85	0.77
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## Japanese Brokerages Profit From Increased Trading

**Heavier volume and generally higher share prices increased commission revenue. The market's strength also increased profits from dealing on brokers' own accounts.**

Nomura Securities Co., the industry leader, posted the strongest rebound. Nomura's pretax profit increased 25-fold to 25.36 billion yen.

Daiwa Securities Co. weighed in with the highest pretax profit thanks to bond commissions and bond trading profits. Daiwa's profit rose 18 times to 35.39 billion yen.

Nikko Securities Co.'s pretax profit rose more than 12 times to 12.91 billion yen. Yamachi, the smallest of the Big Four, posted a 408 billion yen (\$3.77 billion), up about 50 percent from a year earlier.

(Reuters, Bloomberg)

Company	High	Low	Open	Close	Div	Yld	PE	RS	High	Low	Latest Crv
AA	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AB	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AC	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AD	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AE	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AF	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AG	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AH	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AI	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AJ	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AK	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AL	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AM	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AN	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AO	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AP	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AQ	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AR	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AS	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AT	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AU	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AV	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AW	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AX	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AY	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
AZ	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BA	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BB	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BC	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BD	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BE	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BF	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BG	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BH	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BI	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BJ	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BK	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BL	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BM	11.50	11.00	11.25	11.25		5.00	10.00	1.50	11.50	11.00	11.25
BN	11.50	11.00	11.25	11.25		5.00	10.00	1.			

# MONEY

**FIRST COLUMN**

## Remember Keynes's Aphorism?

There is a popularly misquoted aphorism of the economist John Maynard Keynes that in the long run everyone is dead. When it comes to the turning of epigrams, Keynes was hardly in Wilde's class. And this, unfortunately, was not one of his best.

Consider the opposite case, namely the intense debate over the short-term future of stocks and bonds. Concern is so widespread that people who know even less about finance than those who make a living from selling securities are worried.

This is a good thing (in the short term). It's a simple, unfortunate truth that the markets just don't fall when intelligent, moderately well-informed people can find no rational basis for the prices attained and express their legitimate concerns. It's when the those miraculous prices take on the appearance of being a self-sustaining fact of life that the sky suddenly falls down.

This column expects a sharp correction in equity and bond prices at some point. But the level of popular concern now being expressed is such a positive factor — perhaps because it keeps the professionals so occupied explaining it that they haven't time to look down — that the short term looks good.

So much for gut feeling and psychology. Readers who have followed our commentary on the bond and currency markets over the last three years will draw their own conclusions as to the value of such advice. But there is a serious point concerning the long term.

Long-term saving into the equity and bond markets is an excellent way to beat inflation, and one of the few reliable ways to build capital. Even if the markets plummet next week, regular saving is to be encouraged as a long-term plan. And that holds good, despite what Keynes really said in his *Treatise on Monetary Reform*: "Long run is a misleading guide to current affairs. In the long run we are all dead."

M.B.

## European Airlines: Not Many High Fliers

By Aline Sullivan

It has not been the best week for European airlines. First, Paris airports were shut down by Air France workers protesting plans for massive job cutbacks. Then, British Airways PLC was slapped with a \$325 million antitrust suit by Virgin Atlantic Airways Ltd.

Many industry analysts, moreover, say that the week's events are not isolated, but symptoms which point to a more general diagnosis: Europe's airlines are in trouble. The message to investors from the financial markets is short and depressing: Flag carriers of a number of countries face extinction within a few years unless they cut costs and expand their networks through alliances. Investors should concentrate on only the few gems in this sector and sell their other holdings.

European airlines have had losses totaling \$700 million over the past three years, thanks to economic recession and heightened competition. But recent losses are not their only problem. The EC "open skies" liberalization program started in January, forcing many airlines to face up to a future without the cushion of state subsidies. Some are lobbying their governments and the EC in an attempt to fend off the inevitable. But time is fast running out.

The big exception may be British Airways, which has been a favorite of many market analysts. Earlier this year, BA bought 24.9 percent of USAir. That move could make it the only airline that already qualifies as a global player, one of the 10 or so groups expected by industry pundits to dominate the market over the next decades. The lawsuit filed Wednesday in New York which accuses BA of unfair and illegal practices to attract customers was played down on Friday by analysts, who said that short-term ramifications should be minimal.

"British Airways is the best play on economic recovery on both sides of the Atlantic," said Steven Dexter, aviation analyst at Kemper Investment Management in London. "The company is really benefiting from its earlier cost cutting. It is in the right place at the right time."

BA's low costs, about 60 percent those of other European airlines per passenger flown, mean that increases in passenger traffic have

more impact on the company's bottom line, said Mr. Dexter. "For most of the others, the benefits from economic recovery will get lost in the expense of their restructuring programs."

Peter Bergius, aviation analyst at Kleinwort Benson Securities in London, is also bullish on British Airways. "Passenger traffic is rising and BA is in the best position to take advantage of that," he said. "Also, there is clear evidence that premium traffic is coming back into BA's cabins." That means that business and first class passengers are returning after several years of selecting economy seats.

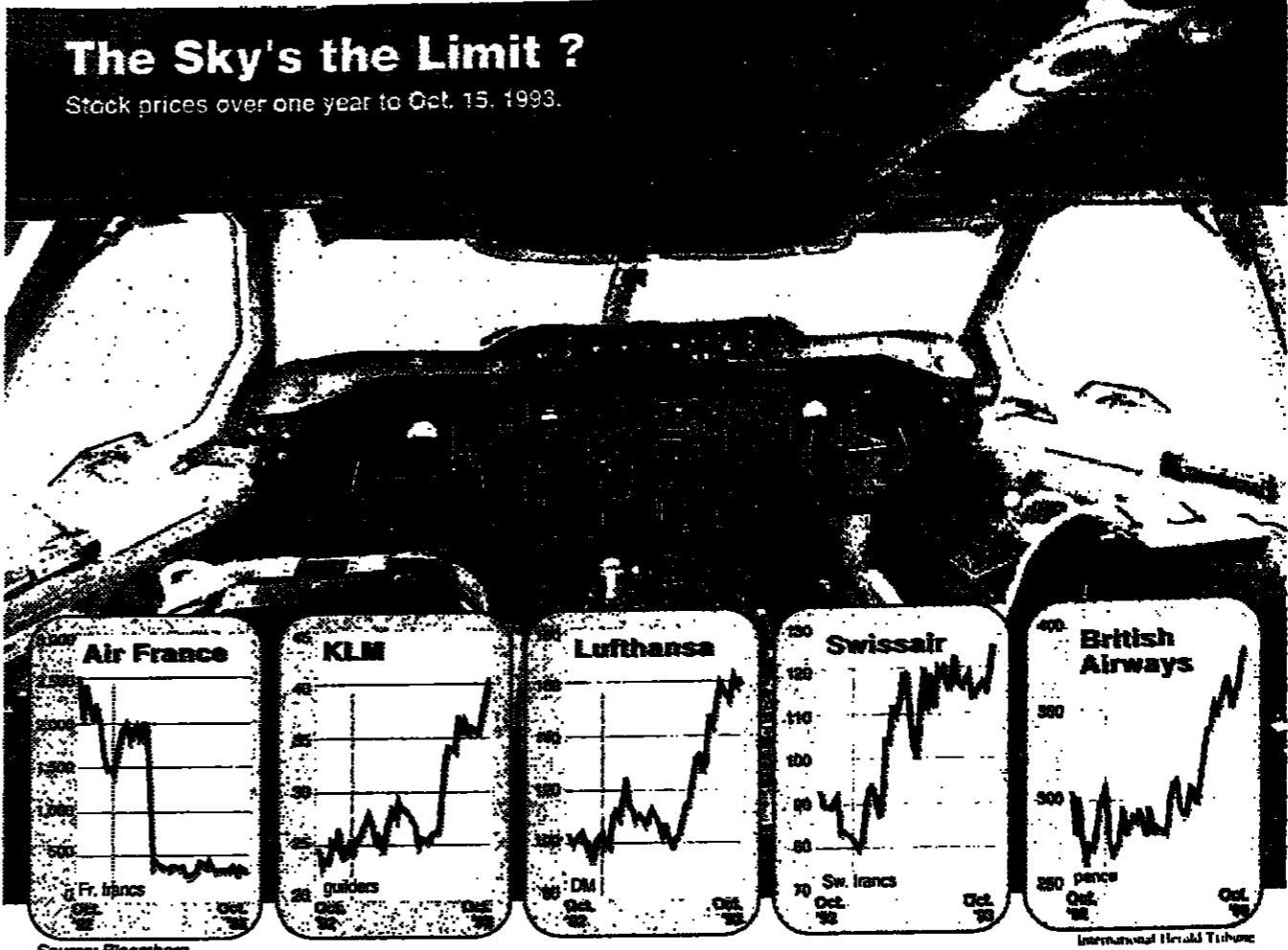
In trying to follow BA's example, several other European carriers are negotiating alliances. One possible contender, the four-way "Alcazar" alliance devised by Swissair, KLM Royal Dutch Airlines, Austrian Airlines and Scandinavian Airline Systems, the carrier owned by Denmark, Sweden and Norway, remains embryonic. Analysts are cautious about its chance of success.

"The deal is horrendously complicated," said Mark McVicker, transport analyst at Country NatWest Securities in London. "It is not often that four national companies, controlled by six governments, try to combine their operations. There is a very good chance it won't work."

The Alcazar alliance envisions a central management company in which the three major partners each own a 30 percent stake, leaving Austrian Airlines with 10 percent. Problems over valuing each airline's contribution and the recent wooing of Austrian Airlines by Germany's Lufthansa have made negotiations difficult.

KLM, with or without the Alcazar alliance, is the second choice among European aviation analysts. The Dutch carrier's 20 percent stake in Northwest Airlines of the United States provides it with a strong position in the crucial North Atlantic routes. Also, the company's recent restructuring has been very successful, enabling it to bring down costs in line with British Airways and the American carriers.

Lufthansa appeared until recently to be headed for extinction. Heavy losses and difficulties with its massive restructuring program made the company's chances of a successful privatization seem slim. But earlier this month, Lufthansa signed a partnership



Source: Bloomberg

agreement with the American carrier United Airlines.

Analysts' reactions have been mixed. Some believe the deal should help Lufthansa compete with British Airways and KLM on the North Atlantic routes and help the airline return to profit by 1994. Others are less enthusiastic, saying that Lufthansa needs to focus on its restructuring as well as form alliances.

Another possible partnership is between Air France and Alitalia, the Italian state airline. The two companies, both of which have recorded substantial losses of late, were rumored to be in talks earlier this month.

"Alitalia and Air France are simply not in the running now," said Mr. McVicker. "They will have to do something." Air France recently signed a cooperation pact with Continental Airlines, but, as Mr. McVicker pointed out, Continental is operating

under Chapter 11 of U.S. bankruptcy laws and "is not exactly an aviation success story."

Europe's other national carriers — Sabena of Belgium, Ireland's Aer Lingus, Olympic of Greece, Iberia of Spain and TAP Air Portugal — are having a tough time. The EC's open skies program, which is gradually opening up their international and domestic routes to competition, has forced them to make massive cost cuts. But difficulties in negotiating with their work forces and a long term reliance on state subsidies have put their futures in jeopardy.

Several of these airlines, along with some of their bigger counterparts like Air France and Alitalia, are lobbying the European Commission to allow member governments to continue subsidies. They argue that the European aviation industry as a whole will deteriorate if exposed to a United States-

style deregulation and that most airlines need more time to prepare for privatization before they can compete in a liberalized market. These airlines currently spend twice what U.S. airlines spend per passenger.

The EC has appointed a "Committee of Wise Men" made up of 12 industry officials to investigate these arguments. The panel's report is scheduled to be presented to the European Commission at the end of this year.

Wise investors will reserve judgment on many of the industry alliances now being trumpeted, analysts said. Sir Michael Bishop, chairman of privately owned British Midland recently predicted "golden profits" for those airlines that survive until 1996. But that is a long way off and investors in all but the most successful airlines could shed a lot of tears before then.

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\* Source: Micropel, with income. 5 years to 1.10.93. † While stocks last. You should remember that the price of shares and income from them may fall, and you may not get back the amount you originally invest. Past performance is not necessarily a guide to future returns. Changes in exchange rates may also affect the value. Issued by Singer & Friedlander Investment Funds Ltd., 21 New Street, London EC2M 4HR. Member of IMRO.

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Year	Value
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1991	\$42,810
1990	\$37,253
1989	\$32,605
1988	\$32,434
1987	\$31,311
1986	\$23,793
1985	\$18,632
1984	\$13,539
1983	\$13,124
1982	\$12,403
1981	\$11,667
1980	US\$10,000

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\* Source: Manager's published prices for the International Accumulation Managed Currency Fund. Gross income reinvested, other to 16th June 1993, using last calculated price for each year. 1980 calculated as at 1.10.80. Five year performance 7.10.80-4.10.85. Past performance is not necessarily a guide to the future. The value of Global Strategy Fund Limited - a subsidiary of Guinness Flyright International Accumulation Fund Limited and Guinness Flyright International Managed Currency Fund Limited - is not guaranteed. This advertisement has been issued with the approval of Guinness Flyright International Accumulation Fund Limited and Guinness Flyright International Managed Currency Fund Limited. † Top performing fund in Micropel's Managed Currency Fund Sector 2 years to 1.10.93. Guinness Investment Services (UK) Ltd, 21 New Street, London EC2M 4HR.

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THE MONEY REPORT

BRIEFCASE

From Lehman Brothers, The Asian Dragon Portfolio

Lehman Brothers is targeting the developing Asian countries with its new offshore Asian Dragon Portfolio. The fund will buy shares in any or all of the East Asian markets, except Japan, but including China, Hong Kong, Indonesia, South Korea, Malaysia, the Philippines, Singapore, Taiwan and Thailand. The managers emphasize that the fund will concentrate on equities and avoid debt securities issued in those countries.

Shareholders will be able to buy or sell shares daily (some offshore funds permit transactions only at less regular intervals) and switch at no cost into any of the other 14 funds in Lehman Brothers' Global Investment Series.

There are two classes of shares open to retail investors, each with a different charging structure. Class A shares carry an initial charge of 5 percent on investments of less than \$50,000. The charge decreases to the point where anyone who wants to pop for \$10 million can get in free.

Holders of Class B shares pay when they get out. The charge will be 5 percent of net asset value for redemptions in the first year and will decrease until there is no charge for shares sold after five years.

Lehman hopes to raise \$35 million during an initial offering period that ends Nov. 18; this would make the fund medium-sized among Asian regionals. Shares will continue to be sold after that date. The minimum purchase is \$25,000.

The fund is not open to American investors. Anyone else can get information by calling Lehman Brothers in London, at (44 71) 260-2975.



Halifax Building Society Launches Notice Account

The Halifax Building Society, the largest U.K. thrift institution, is offering international investors a new notice deposit account. Denominated in pounds, with a notice period of 90 days, the account is based in Jersey and pays interest free of withholding tax.

Interest rates climb according to the amount invested. Those depositing the minimum of £25,000 (\$37,500) receive annual interest of 6 percent. Deposits of £50,000 or more attract 6.4 percent in interest, and amounts of £100,000 or more earn 6.8 percent. Interest is paid annually or monthly, according to the investor's preference. Monthly payment rates are slightly lower than the annual figures.

One withdrawal of up to £5,000 is allowed each month without the investor's having to give notice or suffer loss of interest. Any further withdrawals in the space of that month are subject to 90 days' notice, or loss of interest.

For more information, write Halifax Building Society, Trinity Road, Halifax, West Yorkshire, U.K.; telephone Halifax (44 422 333-333); fax (44 422) 333-007/333-000.



Acquiring an Executive: You Get What You Pay For

If you want to get rich, pay someone to do it for you. Or to put it another way, high executive incentives produce the best share performances from the companies they manage. The message that shareholders must pay for what they get comes from a survey conducted by the international accounting and consultancy firm, KPMG Peat Marwick.

The study looks at the 100 biggest U.S. financial companies. The results show that the best-performing companies offered just 24 percent of a chief executive's package in base salary, compared to low-performing companies where base salary averaged out at 47 percent of total remuneration. Long-term incentives, at 39 percent, were the biggest part of the successful company's chief executive pay packet, with annual bonuses at 37 percent.

Barclays Bank Links Up With the CIRBUS Network

Yet more linkage in the world of plastic access to cash. Barclays, a U.K. bank, has linked its 2,750 automated teller machines (ATMs) to the CIRBUS network. Barclays, which was already part of the Visa network, now becomes part of the MasterCard/CIRBUS system, which has 149,000 ATMs in 49 countries worldwide.

China and India: Focusing on Asia's Colossi

By Philip Crawford

THEY are the giants of tomorrow. That's the call of many emerging markets analysts on China and India. Why? Because the financial community sees plenty to admire in both countries: Both are colossal, and both have increasingly progressive attitudes toward free-market economies, which Western observers like and understand. Perhaps most important of all, regulators in China and India have finally decided to put out the welcome mat for foreign investors. Better-educated work forces and growing access to the latest trading and settlement technology also add to the appeal.

Two events in China this week — the first hostile corporate raid, which regulators appear to be leaving alone, and a report that the Communist government may soon reveal the level of the country's gold output — are just the latest indications that the world's most populous nation (1.2 billion people) is maturing as an international marketplace. And in India, government regulators this year have approved foreign ownership of domestic companies and allowed foreign institutions to invest directly in Bombay Stock Exchange-listed shares for the first time.

"The tremendous interest in the Chinese market is continuing, and a huge amount of money is pouring into it, especially from the United States," said Peter Jeffrey, managing director of Fund Research Ltd., an independent, London-based research firm that specializes in tracking emerging markets. "Many people see it as the largest potential market in the world."

Janet Chisholm, who follows India for the same firm, had equally optimistic things to say about that market. "The long term perspective is definitely bullish," she said. "The government is liberalizing its approach to foreign investment, and I think we'll see gradual, increasing asset allocation to India."

China is accessible to the individual investor through several avenues: the so-called "B" shares that are listed on China's two stock exchanges in Shanghai and Shenzhen; shares in Hong Kong-listed companies that conduct a significant proportion of their business in China; and shares in funds, which invest in both, as well as independently. The purchase of "B" shares by private investors, say international brokers who carry out such trades, appears to be gaining in popularity as confidence in the region grows and as trading procedures approach Western standards.

As of Nov. 1, trading on the Shenzhen exchange will be conducted at "T plus 1," and on the Shanghai exchange, at "T plus zero." These formulas mean that shares can be resold on the day after their initial purchase in Shenzhen, and on the day of purchase in Shanghai. These reforms should place China in line with established markets.

Best Performing China and India Funds

Table with 2 columns: China funds and India funds. Lists various funds and their performance metrics.

Source: Micropal

International Herald Tribune

"The improved trading procedures should make the Chinese market more attractive to foreign investors, because they help to lower risk," said Susanna Lau, who follows the Chinese market for Baring Securities in Hong Kong. "People will know that they can get in and get out quickly. Another positive aspect is that Chinese markets are currently trading at attractive multiples — an average of about 14 times earnings on the Shanghai exchange, and about 12.5 times earnings on the Shenzhen."

There are 20 Shenzhen-listed companies and 13 Shanghai-listed companies currently offering "B" shares to foreign investors, and the two exchanges have approved a total of 35 new listings, eight of which are expected to offer

over the same period, according to Micropal, was Jardine Fleming's JF China Trust, an open-ended unit trust which returned 48.4 percent. The JF China Trust is not registered with the U.S. Securities and Exchange Commission, however, and is therefore not available to U.S. investors.

"The fundamentals of the Chinese market remain strong," said a spokesman for the Fleming Group. "We expect a bit of a speculative blowoff every now and then but, considering the bull market, regrouping and moving forward again after such an event should happen quickly."

India, much like China, is a huge population center (about 850 million people) which is

"The fundamentals of the Chinese market remain strong. We expect a bit of a speculative blowoff every now and then but, considering the bull market, regrouping and moving forward again after such an event should happen quickly."

"B" shares in the coming months. The two exchanges have a combined market capital of about \$1.3 billion.

Among the Shanghai-listed companies whose "B" shares are currently rated "buy" at Baring, said Miss Lau, are Dezheng Taxi, Tyre & Rubber Co., and Erfangji, which makes textiles. On the Shenzhen exchange, China Bicycle Co., China Southern Glass, and the television maker Konka are recommended. These are common selections among analysts covering the Chinese market.

Investors can also choose from some 20-odd funds that concentrate on investing in China. One of two such Baring funds — the closed-end China & Eastern Investment Co., which was launched in 1985 — was rated fifth in performance for the year ended Sept. 1 by Micropal, which rates funds, returning 22.1 percent. The China & Eastern fund is traded on both the Hong Kong and London stock exchanges. The best-performing China fund

gradually opening itself up to international investors. And the money appears to be pouring in. According to a statement released by government regulators earlier this month, direct foreign investment in India totaled 11.22 billion rupees (\$358 million) in the first seven months of this year. A further 59 billion rupees in new foreign investment proposals were also approved as of Aug. 31. The total market capital of companies listed on the Bombay Stock Exchange is estimated at about \$72 billion.

"The general view on India is really very positive," said Miss Chisholm, of Fund Research Ltd. "The stock market is well-developed and the huge middle class population invests in it. The government is also really pushing the investment industry."

Shares in Indian companies are still inaccessible to foreign individuals wishing to purchase them on their own, however, leaving funds as

the chief means of exposure to the market. But that shouldn't discourage potential investors, say analysts, as some of the 10 or so India funds now available have turned in solid performances.

Morgan Stanley's India Magnum Fund, although down about 9 percent over the year ending Sept. 1, has returned over 30 percent in the three-year period ending on the same date, according to Micropal. Vinod Sethi, the fund's manager, said one of the keys to succeeding India is to accept some year-to-year volatility and to stay with the companies which look strong in the long term. He added that India is one of the few global markets to have undergone a significant correction in the recent past, a fact he said should make India more attractive than other emerging markets for which a correction may yet be in store.

"The market peaked in 1992 and has undergone a correction of around 50 percent since then," he said. "For the year ending in March 1994, I think we'll see significant increases in earnings, and still more growth in the following year. The important thing, however, will be stock selection. Liberalization means competition, and some blue-chip companies which are used to operating in a protected environment might not do so well."

Included in the Magnum fund's portfolio are companies such as VSNL, India's telecommunications monopoly, Telco, the country's leading truck maker, and HDFC, a housing-loan company.

"HDFC is one of the few companies in the world which can grow at any rate it wants to," said Mr. Sethi. "In a country of 850 million people, many of them homeless, housing is the ultimate growth industry."

The best-performing India fund over the past year has been Jardine Fleming's JF India Pacific Trust, an open-ended unit trust that has returned a hefty 108 percent in the year ended Oct. 11, according to Micropal. A spokesman for Jardine Fleming Investment Management in Hong Kong said the fund is heavily weighted in such "infrastructure" stocks as telecommunications and construction concerns. The JF India Pacific Trust, like the JF China Trust, is closed to U.S. investors.

Alongside all of the optimism, however, is there a downside to investing in China or India? Some analysts note that not all investors are willing to put up with such potentially high volatility. Others point out that China is hardly a bastion of political stability and that India has some way to go in providing accessibility.

The ultimate task appears to be weighing risks vs. possible rewards. "It all depends on your point of view," said Bruce Johnson, Baring Securities' head of global research. "To some investors, Japan is still exotic. Others are willing to put money into unlisted companies in Burma. But Western investors who are not getting growth in their home markets seem increasingly willing to take the plunge into places like China and India."

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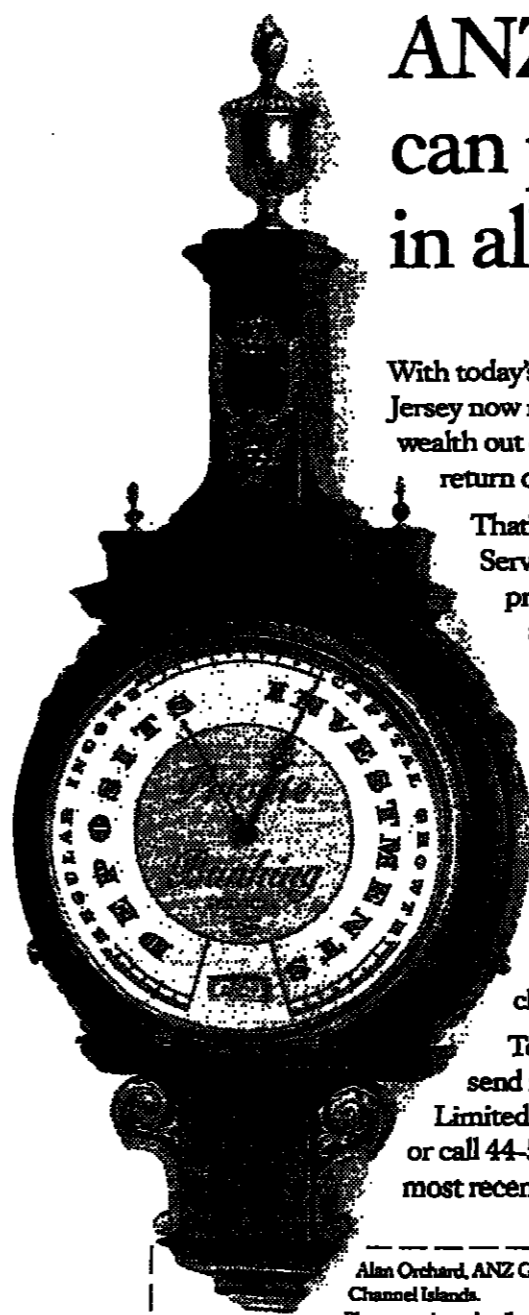
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THE MONEY REPORT

The Asian Market Emerges As the Kindest to Investors

By Conrad de Aenlle

ASIA has treated investors in emerging markets the most kindly over the last year. The region is targeted by 44 of the top 50 emerging market equity funds tracked by international fund monitoring firm, Micropal.

Malaysia is especially conspicuous on the list, which covers the year through Sept. 1. Eighteen of the 50 best invest enough of their money in that market to warrant putting it in the fund's name.

The leading fund, Jardine Fleming Malaysia, is one of five run by the Hong Kong investment house that show up in Micropal's rankings; indeed, all five are rated in the top 30.

On the other hand, he said, "Malaysia has gotten a little speculative. Turnover is pretty high, at unhealthy levels. A lot of it is speculative stocks. We had been overweight in Malaysia, now we're underweight."

The surge in interest nevertheless helped to push Jardine Fleming's Malaysia fund to a 128 percent gain in the year to Sept. 1, beating the next-best Malaysia fund by 25 percentage points.

Christiane Jernyn, a director of Baring International Fund Managers (Ireland), said her group's Asian funds are sticking with Thailand. Baring's Octopus Fund has 15.6 percent of its assets in the Thai market.

Other heavy weightings are Malaysia, at 15 percent, and Singapore, at 11.4 percent. The fund's biggest investment area is Hong Kong, where it has parked 37 percent of its assets.

Hong Kong has been a good place to invest for quite a while. Of the 50 emerging market funds with the best five-year records, 18 target Hong Kong, including 13 of the top 26. Seven more are Malaysia and/or Singapore funds, and 14 others invest in various locales in the region.

"Looking a little bit further out," Miss Jernyn said, "we would take profits in Malaysia and put more money in the Hong Kong market."

Fidelity Investments, which has done particularly well in Asia in the last year, placing five funds among the best, is looking for a strong showing from shares in the Philippines. The archipelago "should have quite a big economic recovery," said William Ebbsworth, Fidelity's chief investment officer in Asia.

Six Mexican funds were among the best three-month performers and 10 other regional or country funds in Latin America made the list. Other countries well represented were Indonesia, Portugal, Thailand and, again, Malaysia. The best fund over three months, though, was the Jardine Fleming India Pacific fund, which gained 39 percent.

Looking back three years, Chile funds dominate the top of the list. There are five in the top 50, none worse than 11th place. The other market that produced a lot of winners was Hong Kong, with 21 funds, and the rest of Latin America, with seven.

Hong Kong's stock market has had a steady rise since 1989; that's why Hong Kong funds show up among the strongest performers no matter what time frame is used. It also helps that there are so many funds that have invested in the territory, first as a hotbed of capitalism, then as a gateway to China.

Chile is seen as having the most developed economy in Latin America; it is, for instance, the only major country in the region whose debt is rated investment grade. In one sense, though, it's a bit backward: The government restricts foreign investment.

"They have not opened up," said Jeremy Paulson-Ellis, chairman of Genesis Chile. Chile's stock market has had a steady rise since 1989; that's why Hong Kong funds show up among the strongest performers no matter what time frame is used.

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which gained 32 percent in the three months through Sept. 1, placing it second over that period. But managers at Latin American Securities, which runs the fund, think it's time for Peru to cool off and have gotten their regional funds out of the market completely.

The problem, in the opinion of Eduardo Faria, one of the group's managers, is that expectations in Peru, which is a relatively young market for foreign investors, have finally caught up with corporate performance and have been fully factored into share prices. Mr. Faria is more hopeful on Mexico, and the company's regional funds have been going more heavily into that market.

"We were significantly underweighted in Mexico at the beginning of the year," he said. "We have been steadily increasing our exposure to the point where we're at the top of our range in Mexico. The third quarter was really a very positive quarter for our regional funds because of our Mexican exposure."

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Leading Emerging Market Funds

Leading equity emerging market funds. Value of \$100, income reinvested, excluding charges.

Table with columns: Fund, Performance (Over three months to Sept. 1, 1993), Performance (Over one year to Sept. 1, 1993), Performance (Over three years to Sept. 1, 1993), Performance (Over five years to Sept. 1, 1993). Lists various funds like JF India Pacific, Quantum Emerging Growth, etc.

Source: Micropal

ADRs Avoid the Hassle In Investing Overseas

By Judith Rehak

SUPPOSING you've ferreted out a specific emerging market stock, and you're thinking about going direct to its home exchange in São Paulo or Jakarta to buy shares.

Lower costs and better liquidity have long been the rationale for buying any foreign stock on its home exchange, emerging or otherwise. While this may be true for a large institutional investor that buys big blocks of shares, like a mutual fund, it is far less so for an individual investor braving the same market.

First, you will have to go to a full-service, meaning full-commission, brokerage that maintains relationships with banks and brokers in your chosen market; discount brokers don't play in this arena. Secondly, you will have to fork over a hefty sum: Merrill Lynch, for example, will not go direct to a foreign market for an individual investor for less than \$25,000, reportedly one of the lower minimums.

these costs, and maintains it still loses money). Then there's often a tangle of local tax regulations, holding-period restrictions and dealing with dividend payments in local currency.

That is more than enough reason for Mr. McIntyre, along with most other financial advisers, to tell clients who have their hearts set on owning stocks in an emerging market to buy American Depository Receipts, or ADRs, which are dollar-denominated shares of foreign companies that are traded in the United States, either listed on the exchanges or unlisted over the counter.

ADRs are not without costs to the investor either. Banks that handle dividend payments for ADRs deduct fees for foreign exchange and other fixed costs. Nor do ADRs, as some investors mistakenly think, shield them from the currency or political turmoil associated with emerging markets.

But the ADR holder does get convenience. For example, an investor who wants to buy shares in YPF, the Argentinean oil company, can call any broker, including a discount, and buy a small amount of the company's ADRs, which are listed on the New York Stock Exchange — and pay for them in dollars. The investor will be able to see the stock price listed in a local newspaper each day, and receive quarterly reports — in English — and all dividends in dollars; if the transaction is made in Buenos Aires, the investor faces not only higher costs, but the dilemma of what to do with an Argentine security, not to mention dividends paid in pesos.

One problem, however, is that there is still a relative lack of ADRs for companies in these nascent markets. But Ken Lopian, a vice president of the ADR group at the Bank of New York says this is changing.

"There are now about 60 to 70 ADRs for Argentina, Brazil, Chile, Venezuela, Mexico, and there are a lot more in the pipeline over the next few months," he says. Most Latin American companies are listing their ADRs on the major exchanges, and some, most notably TelMex, Mexico's phone company, are no longer viewed as an emerging market stock. At the same time, a rush of lesser known, but well-managed, companies are listing, such as Grupo Simca, a small Mexican steelmaker.

There are also growing numbers of ADRs from Asian markets like Indonesia, Malaysia and Thailand, although they tend to be unlisted. Mr. Lopian said. "There are an enormous number of new ones from Hong Kong, 15 this year alone, and another 15 coming on stream in the next six months," he added.

Mr. MacIntyre pointed out that other emerging markets are still relatively closed to foreigners except for a few select institutional investors. In Taiwan and India, for example, the only route for an individual to take is to buy a country fund.

As for going direct, he comments: "It's one thing to buy Nestlé in Switzerland, but the notion of buying directly in an emerging market? You're about as far out on a limb as you can get."

Opportunities: Three Experts' Opinions

What's in a name? The answer, at least in a narrow financial context, appears to be respectability.

The name in this case is "emerging markets." And just as success has a thousand fathers, so phrases which have become part of current usage have many inventors. But whoever first used the phrase to sell developing markets to Western institutions, the adoption of the term has been important in achieving a vast sales success.

Analysts say that the epithet "emerging" as opposed to "developing" or "Third World" markets helped investors repress a little confidence in them. Who, after all, would wish the fate of a "developing country" (many of which are in fact regressing) on a financial market? The term "emerging" helped inspire confidence; after the confidence

came the money, and with the money, respectability.

The surging popularity of emerging markets is interpreted by some in the investment community as a negative sign. The logic of this thinking is that if analysts are looking to invest in emerging markets they are saying the mainstream markets are fully valued. The consequence, they argue, of the major markets being fully valued should be to sell in the highly liquid main market. To buy more equities in relatively obscure, less liquid markets would be to expose investors to greater risk, and possibly to leave them unable to sell (even at a loss) in the event of a drop in prices.

However, even the most pessimistic and skeptical analysts admit that markets do emerge and develop. Even if the pessimists are correct in arguing that emerging market mania is pride before the financial fall, the long-term picture

— MARTIN BAKER

W HILE the countries of the Asian subcontinent are politically, religiously and economically diverse, they are alike in their effort to reform their economies. Following years of protectionism, regulation and stifling business, economic necessity has forced these former socialist economies to adopt free market strategies in order to attract foreign investment and to compete in the integrated global market economy. Relaxed foreign investment guidelines, foreign exchange deregulation, privatization and increased private sector participation are policies being used by governments to address problems ranging from poor infrastructure to crippling national debt.

These reforms throughout the region are even more impressive when one considers that they have been implemented by democratic governments with socialist histories and numerous vested interests in the status quo. Moreover, they have been undertaken during periods of religious and ethnic conflicts, political assassinations and natural disasters.

For investors considering emerging markets, the subcontinent offers some attractive opportunities. The stock markets of the subcontinent offer a viable proxy to the exciting growth prospects of the region and well over 2,500 listed companies from which to choose with a total market capitalization of nearly \$100 billion.

In contrast to China, the subcontinent has a long history with capital markets, with the Indian stock market, established in 1860, today comprising 22 stock exchanges with an average daily volume of more than \$75 million. While the Indian market may appear expensive with a price-earnings ratio of 27 and 20 percent earnings growth, the real value of the market is found in the smaller-to-medium-sized companies that are likely to undergo a re-rating as they are "discovered" by foreign investors. Elsewhere in the region, most stock markets offer good value in the context of the 4 to 6 percent gross domestic product growth rates and the 20 percent corporate earnings growth, but the severe liquidity constraints and relative political risk change the risk-return equation.

both on countries and companies. Also, search for turnarounds rather than proven success stories.

Anna Tong, director, Aetna Investment Management (Hong Kong) Ltd.

Any investor who is considering subcontinental investment should consider the risk of these markets. The well documented scandal in India illustrates only part of the potential pitfalls in these markets that include currency, liquidity and political risk. For those willing to take the risks, they should recognize that foreign investment in India is restricted to "foreign institutional investors" who are registered and are subject to capital-gains tax, so investors are recommended to select India funds with an emphasis toward small- to medium-capitalized stocks.

In Sri Lanka, Pakistan and Bangladesh, foreign investors are encouraged to focus on large capital-intensive consumer, finance or infrastructure companies, or to purchase funds at a discount to net asset value.

Antoine Van Aghem, chief executive, Emerging Markets Management, Emerging Markets Gestion de Privee's Emerging Markets Strategic Fund.

THE first thing to be noticed about emerging markets today is the acceptance of their viability by the international financial community. As recently as the early '80s, there was enormous skepticism regarding emerging markets, which were perceived by many bankers, pension fund managers and other financial professionals as being very strange creatures, even casino-like. In 1984, in Korea, for example, shares were trading at only three times earnings, and no one was interested!

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THE MONEY REPORT

From Exotic to Irresistible

By Philip Crawford

NOT so long ago, Far Eastern markets such as Thailand, Malaysia, the Philippines and Indonesia were seen as truly exotic investment fare...

single market, are still the vehicle of choice for investors who seek a concentrated focus. Many such funds, moreover, have turned in stellar performances of late.

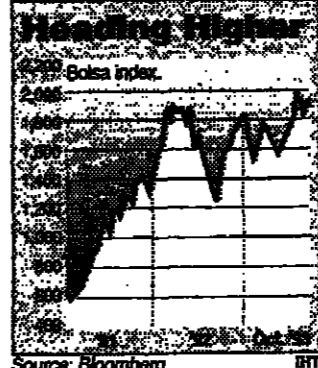
lucrative government contracts — all to the benefit of those companies' share prices.



Mexico: A Spasm of Growth

By Conrad de Aenlle

MEXICAN shares reached all-time highs this week, fully recovering from a sharp fall last month that took the principal index down nearly 10 percent.



Source: Bloomberg

winners of a GATT agreement, Mr. Gallagher said. While analysts and economists don't see dire consequences if NAFTA doesn't make it...

Beating the Tax Man: It's Getting Harder

By Gifford K. Scott

EXPATRIATES of all nationalities fill Kitty O'Shea's, an Irish pub in Brussels, just outside the windows are the buildings that house the bureaucrats who have fashioned the European Community's "single market."

Expatriates delight in telling stories of Germans who lived in London for years without paying tax or Spaniards who lived in Paris and even put their children through the state school system without ever being noticed by the tax authorities.

tax specialist at Towers Perrin, a London-based firm of actuaries, explains: "Throughout Europe the two things that are most likely to catch out the ghosts are property — either renting or buying — and health and social security."

they are not taxed for the period of time they spend outside Belgium. The rules are complicated and weekends do not count as time outside Belgium, neither does the first day of any business trip.

Tax authorities do make specific requests to one another about individuals that they suspect of avoiding tax. But these requests are often time-consuming, and are only made if the suspected tax fraud is big enough to justify the time.

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VOLVO 850: Advertisement for the Volvo 850 sedan, featuring the text "IMPORT SEDAN OF THE YEAR IN JAPAN AND THE USA!" and "BUY IT AT A FAVOURABLE TAX-FREE PRICE!"

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MIAMI — Health care reform, NAFTA, "Reinventing Government" — these are issues that deeply concern you, as an informed American, in the sense that if you read one more word about them, you are going to puke.

HEALTH CARE REFORM: This is an important issue, because many Americans are not receiving adequate health care. We certainly are not. We haven't been to our doctor's office in several years.

But the last time we went to Curt's office, he suddenly, without warning, put on a rubber glove and did something to us that we cannot discuss in the newspaper except to say that it gave us a deeper understanding of what it must feel like to be a Thanksgiving turkey.

Thus our only option, if we developed a serious medical problem, would be to do what millions of other Americans must do: Go to a basketball game. Our plan would be to get Curt's attention by dropping subtle hints. ("Hi, Curt. By the way, we have a large lesion!")

NAFTA: "NAFTA" is an acronym standing for "North Atlantic Treaty Organization." This agreement, hammered out by the United States, Canada, Mexico and Belgium, would enable the nations to trade freely with one another.

Leading the support for NAFTA is President Clinton, who favors it because it is a humongously boring government thing that only he understands.

REINVENTING GOVERNMENT: This is a brainstorm from Vice President Al (Mojo) Gore, who, while carrying out his vice presidential duties as stated in the Constitution ("The vice president shall wear a nice suit"), noticed that the federal government, in performing its many functions, demonstrates the collective brainpower of a sponge.

So the administration has a bold reform program under which the government would take such radical steps as — get ready — REQUIRING FEDERAL AGENCIES TO ANSWER THEIR TELEPHONES. Of course this would require intensive employee retraining programs ("O.K., you hear that sound? We call that 'ringing'").

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Knight-Ridder Newspapers

Scenes From Marriage Made in Literature

By Joan Dupont

PARIS — The literary couples in history almost always looked like a lopsided, anti-social entity — one had genius, while the other suffered from the genius. How they devoured each other, Frieda and Lawrence, Zelda and Scott.

Louise Erdrich and Michael Dorris — young, gifted, and Native American — thrust out their work together and dedicate their books to each other. They even wrote a best-selling novel, "The Crown of Columbus," together.

Recently in Paris, they gave a reading that was like a chamber concert, with voices that merged and separated. Erdrich read from "The Bingo Palace," a novel to be published in January.

In conversation, their voices are distinct; each listens carefully as the other explains how the collaboration works: "It took a long time to evolve this relationship," said Erdrich.

"It's harder to say, 'I don't think it's there yet' than to say 'it's wonderful,'" Dorris interjected. "I love Michael's work and I get obsessed with getting it as good as it can be."

With "Love Medicine" in 1984, Erdrich, who was 30, won the National Book Award. Subsequent novels, "The Beet Queen," "Tracks" and "The Bingo Palace," complete a quartet about tribal go-getters and losers who blow their luck in love and at bingo.

Erdrich has a beautiful high-placed face and laughing eyes, serene but still. Born in North Dakota of a German father and French-Chippewa mother, she met Dorris — who is Irish, French and Modoc and looks all Irish — at Dartmouth College where he was teaching anthropology.

"I was an academic in a field not taken very seriously," says Dorris. "Louise was a poet who was always saying that she would make more money writing. Then it all happened very fast. Suddenly, our books were published in foreign countries and there were people who knew your life story from 'The Broken Cord.'"

In "The Broken Cord" (awarded the Best Nonfiction Book of 1989 by the National Book Critics Circle), Dorris wrote about Adam, the first of three Indian children he had adopted as a single parent, and the discovery that the boy was a victim of fetal alcohol syndrome (damage caused by a mother's heavy drinking during pregnancy).

Her schoolteachers were Franciscan nuns in long black robes. "After Vatican II, I got to join the God Squad and had guitar Masses. Then I met Michael who knows all the saints and how they died and how they lived, how many wounds they had, and what their last words were. And so I had to get to know him better immediately, because I never remember all these and they're very important!" What she calls "mordant Catholicism" is part of life on the reservations as she describes it in her novels.

"I never thought being Indian as being apart of myself. I am proud of my grandfather. He testified in Washington and he was a wonderful powwow dancer and a very funny man, but also quite sophisticated and hard working. He ran



Writers Louise Erdrich and Michael Dorris: "We promise each other honesty and candor."

come from a background like mine, anything is gravy." His father was killed in World War II and he was raised by his mother and his aunts, which he thinks provided a model for single parenthood.

"I was raised by women," he says. "My mother's family were poor Irish immigrants at a time when Catholics in the South made up a very embattled minority because of the Ku Klux Klan. My mother wanted me to become a priest, and Catholicism formed a kind of frame that gives you something to react within and against: all of our characters have in common that they believe in something passionately or they're reacting to something passionately."

In fact, even though they are perceived as Native American, Dorris and Erdrich's mixed heritage, and their reaction to the Catholicism of their childhood gives their writing another dimension. Erdrich, whose mother is "missionized Chippewa," says she "writes about the kind of Catholicism that exists in these little pockets here and there."

Once a Catholic, you are never not a Catholic. You may lapse, but you are never free of it; it informs the way you look at the world. Even if you are not a believer, you have some wistful urges that you can't quite control, like imagining you have a soul.

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"I never thought being Indian as being apart of myself. I am proud of my grandfather. He testified in Washington and he was a wonderful powwow dancer and a very funny man, but also quite sophisticated and hard working. He ran

a truck farm and he used to wear a red plastic fedora and smoke a cigar; he was the formative bingo player of the family."

Both writers are hard workers. "The German side of my family had this work ethic and Michael is just an unbelievable worker; we thrive on working hard," says Erdrich. "And we feel lucky to be able to do what we want..."

They do not work side by side, but in different spaces, and, once they have finished, read aloud. "We go over the manuscript closely and it's a word-by-word argument," says Dorris. "We discuss what will happen to the character next, which keeps it very much alive. I take all of Louise's suggestions, and I think she takes most of mine. We promise each other honesty and candor. In 'The Bingo Palace,' we went back and forth; then one morning, Louise had written what turned out to be the final draft. I went to my office at 5 A.M. and read it, and it just blew me away. That's the pleasure that you wait for, and that's the pleasure you get by being 10 times tougher than any editor."

"The Crown of Columbus" the novel they wrote together, got fine reviews, but for the first time, there was an inkling of complaint about the Erdrich-Dorris image — they were too prolific, too successful — as if they were posing as household saints of the current literary scene. "And you know what happens to saints," draws Erdrich. "They get martyred in horrible ways."

"You would think that the experience of 'The Broken Cord' would have taken a little bit of the edge off that. Because our lives haven't been so perfect," says Dorris. Erdrich adds: "Everybody knows that marriage is more complicated than can ever be explained."

Joan Dupont is a Paris-based writer specializing in the arts.

Asl Rose Settles a Suit, Throws in Autograph

He got some money, and Asl Rose's autograph too. And now everybody's happy. A fan who took Rose to court, claiming he was hurt in a scuffle with the rocker during a concert, reached an out-of-court settlement in St. Louis, Missouri.

Details of the settlement were not released, but the 31-year-old rock star said he "felt great." The 28-year-old fan, William Stephenson, had sought at least \$210,000 in damages for back and ear injuries, lost wages and medical bills. He said he was injured when the singer jumped off a stage during a 1991 Guns N' Roses concert in St. Louis.

Michael Jackson postponed the first of two shows in Chile hours before he was due to go on stage Thursday. The organizers said Jackson has stomach problems and that the concert scheduled for Thursday has been moved to Monday. Jackson's other date is set for Saturday at Santiago's National Stadium. His organizers denied a report the cancellation was due to the star's fears for his safety after several people were killed in a gunfight between police and bank robbers near his hotel.

Dan Quayle's spilling might be a bit shaky but he's planning a new book anyway on his recent trials and tribulations. The former vice president says there's even a chapter in his upcoming memoirs called "Murphy and Me." "Another chapter is 'How to Lose an Election,'" Quayle said. He criticized the TV character Murphy Brown during the 1992 campaign for choosing to have a baby, but not marry.

Roger Moore, known for his British roles as James Bond, the British Secret Service agent. He ceased to kill, says guns make him nervous. "The only acting I ever did was trying not to blink because as soon as I pick up a gun I start blinking," Moore told children during a UNICEF appearance in Helsinki.

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WEATHER

Weather forecast section including tables for Europe, Asia, Africa, North America, Latin America, and Oceania, with a central map of the Atlantic and surrounding regions.

POSTCARD

International Tourism Is Booming in Sinai Peninsula

By Youssef M. Ibrahim New York Times Service SHARM EL SHEIKH, Egypt — In a tiny office in a shopping mall buzzing with tourists, Marina Legnani was marketing the last of three \$230,000 luxury villas that had been built on a beautiful bay at the tip of the Sinai Peninsula.

"I can't guarantee it will be here next week," Legnani said of the house, which was still under construction. It was a typical hard sell, but the pitch by the Italian commercial representative was no exaggeration.

A decade after Egypt retrieved it from Israel, the peninsula, which had been nothing more than a huge triangle of desert lying next to one of the world's most beautiful marine preserves, has become the most sought-after resort in the Middle East.

Tourists, largely from Italy, Germany, elsewhere in Europe and Israel, are landing at international airports in Sinai to spend their vacations here, bypassing the rest of Egypt with its Pharaonic and Islamic monuments in favor of a week or two in this desert.

hundreds of hotels in the rest of Egypt have gone begging for clients since a British tourist was killed near Asyut a year ago.

"Business is booming," said Annalisa Pinosch, the manager of the Movenpick Hotel here. "We are expanding the hotel. Most of the tourists who come here are under the impression they are coming to some separate entity called Sinai, which has nothing to do with the rest of Egypt."

And they keep on coming, she said. "We were fully booked in July and August, and I expect a great season in the autumn," when temperatures are 25 to 30 degrees centigrade (75 to 85 Fahrenheit). The number of hotels in Sharm el Sheikh has jumped from five in 1988 to more than 30, with about 10 more projected to be in place by 1995.

There has been no acts of violence tied to Islamic militants in Sinai. Pinosch said she detected little fear of terrorism among her customers, especially among the Italians who form the majority of the tourists in Sharm el Sheikh.

Another large component of the tourist crowd here is from Israel, which occupied Sinai from 1967 to 1983. It was the Israelis who began developing the area as a tourist destination, appealing mainly to desert lovers and scuba divers who swim among the lush coral reefs just offshore. The first hotel built in Sharm el Sheikh was an Israeli creation during the occupation years.

Divers are coming in ever-larger numbers, with the number of diving centers growing from 6 in 1989 to 18 this year. But the tourist composition has changed, with the majority of a more traditional beach-resort type, determined to get the deepest sun-bath, eat, swim a little and go to a disco at night.

"We started with 85 percent divers and 15 percent beach-sitters back four years ago," said Michael Pearson, manager of the Ras Mohammed National Preserve. "Today, only 45 percent of visitors are divers."

The preserve, a 210-square-kilometer expanse of land plus underwater areas where coral reefs, fish, plants, shells and fossils are protected, is jointly managed by the Egyptian government and the European Community.

In the last four years, the preserve has been expanded to include almost all the territory around Sharm el Sheikh, from the Gulf of Suez to the west to the Gulf of Aqaba to the east.

"I wonder if the little guy had fun today?"



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سكوا من الأمل